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West Europe Report

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WEST EUROPE REPORT

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COCOM RULES CREATE DIFFICULTIES FOR NEUTRAL SWEDEN, FINLAND

Sweden Needs U.S. Arms Technology

Helsinki SUOMEN KUVALEHTI in Finnish 11 Apr 86 pp 74-77

[Article by Ake Sparring: "USSR Applies Pressure with Subs, U.S. with Technology: A Semi-Neutral Sweden?"]

[Text] Sweden has not very successfully been able to respond to the challenge of the alleged Soviet submarines. But Sweden's position is even weaker in the face of U.S. technological pressure. Both issues will certainly be discussed during Prime Minister Ingvar Carlsson's visit to Moscow next week.

Ake Sparring, the former director of the Swedish Foreign Policy Institute, discusses these new threats to our neighbor's neutrality.

Sweden has foreign policy worries. As is befitting a neutral nation, its concerns involve both superpowers.

Its military leaders are reporting new violations of its territorial waters with monotonous regularity. Officially, no one knows where the subs come from. Unofficially, they know. Officially, relations with the Soviet Union are normal. Unofficially, they are strained.

With the Americans the ban on technological exports, against which many of the United States' own allies have protested, is a problem. It is harder for neutral Sweden to register its protest. Swedish export items contain a lot of American technology that must not fall into the hands of the communist countries. The United States wants to keep tabs on and control its trade with the East Bloc.

Officially, this a matter that is handled between Swedish companies and the U.S. Government. Unofficially, the Swedish Government is also very much interested in it.

Both the subs and the ban on technological exports constitute major causes of concern for Sweden's foreign policy leaders. A neutral country that is incapable of protecting its territory and is incapable of withstanding economic pressure loses its credibility. When this is the case, it may be wise to maintain a low profile. It seems to be a case of deliberate chance that the government's gray eminence, Government Secretary Sverker Astrom, wrote in SVENSKA DAGBLADET: "Generally speaking, a contest between politicians and the parties over who criticizes most loudly and who condemns the most and most often is not in Sweden's interests."

U.S. Has a 10-Year Lead

The subs are largely an old military problem. If Sweden can sufficiently threaten to pursue subs, such visits will become rarer. But it is not certain that Sweden has the means for doing so.

The ban on technological exports is a problem that is harder to handle. The export ban requires that Sweden work against the Soviet Union alongside the United States. Sweden has absolutely no means of not doing this.

With the aid of the export ban, the United States wants to keep the Soviet Union from getting its hands on militarily useful products. In many countries strict regulations apply to arms exports. The seller usually wants to obtain guarantees that his goods will not be reexported. This is also the essence of an export ban, an embargo.

The export ban above all applies to the electronic components contained in all weapons systems. According to the experts, the Americans have at least a 10-year lead over the Russians in electronics. A large part of "star wars" research involves electronics. The lead may continue to grow.

The matter is complicated by the fact that the same electronics is also used in civilian products. Thus the largest portion of the West European nations' exports falls under the export ban.

Sweden is extremely dependent on American electronic equipment. According to Academy of Engineering Science estimates, one out of every five Swedes uses some kinds of integrated circuits in his daily work. Not a single big Swedish company gets along without ongoing supplies of electronic components.

To begin with, these components are used in production itself. Secondly, they are used in the development of new products. A new Volvo is designed by a computer. The structures of the new fighter plane developed by Saab are being designed in the Cray-1 supercomputer. Thirdly, a very large number of Swedish export products contain American electronic components. It would be very hard to replace these parts.

Stansaab Opened People's Eyes

No one believes that the United States has any wish to harm Sweden. But the Americans will not let banned American technology slip into Russian hands through Swedish export products. This is why they want to inspect them. They want guarantees. They want control and control by themselves. If not, [the Swedes] will not get American technology either.

The American technology embargo has been in effect since 1949. What is new is that control has been tightened, penalties for violations are stiffer and that so much technology has been generated that has dual function.

The great Swedish public knew precisely nothing of all this before the Datasaab case was revealed.

Datasaab was an electronics firm which was originally called Stansaab. The company achieved international renown when it developed a combat command system for the Swedish Air Force. At the time the system was regarded as being developed to the utmost.

The state and Saab jointly owned Stansaab.

In 1971, that is, at a time when Russian-American relations seemed to be taking a real turn for the better, Stansaab received a query from Moscow about the flight command system, which would have been big enough to cover most of the European portion of the Soviet Union. The system was to have been ready before the 1980 Olympics. The Russians did not conceal their concern over the fact that the Americans might refuse to issue an export license for some of the system's electronic components.

Stansaab's management was hopeful. In 1975, the year of the CSCE in Helsinki, they signed an agreement with the Russians. Stansaab sent its application for a license to Washington at the same time as they began construction on it in Moscow.

When they did not receive a reply, Stansaab asked the government to intervene in the matter. Washington wanted them to change some of the parts and requested Stansaab to send in a new application.

For the second time the answer was no. In Washington they gave [the Swedes] to understand that the new application had been discussed in the National Security Council, which clearly demonstrated how important the matter was felt to be. They certainly realized this at Stansaab too since, when that company submitted its final application, the most sensitive components were omitted from it.

Then the license was issued — but on condition that the Swedish Government would supervise the deal.

In Moscow they fully realized that the system would not work in the intended way without the banned parts. The whole deal was in danger of going sour — and the contract was a big one for Stansaab.

Then Stansaab's management decided to smuggle the parts in. The Russians were satisfied. In the summer of 1979 the system went into operation. The government apparently did not realize what had happened at all.

To Afghanistan with Saab Equipment

On Christmas Eve 380 heavy transport planes took off from airports near Moscow with Afghanistan as their destination. President Carter, who was upset because of the Iranian revolution, immediately banned the exporting of all advanced technology to the Soviet Union. The Soviet air fleet was probably guided by the new Stansaab system. In early 1980 rumors began to circulate that Stansaab had violated export regulations. The rumors also reached Washington. The company's owners were afraid that they would have a bad time of it. Saab, which had the best of reasons for maintaining excellent relations with the United States, sold its Stansaab holdings to L.M. Ericsson. Shortly thereafter, the government did the same thing. But Ericsson took no risks. It was stated in the contract that the former owners would be responsible for any fines.

The Saab incident produced a kind of confidence crisis for both Swedish industry and the Swedish Government. Clearly something had to be done.

In the fall of 1981 U.S. Defense Secretary Caspar Weinberger and his assistant secretary, Richard Perle, were invited to come to Stockholm. They were received in a way that made observers' eyes bulge. One subject of the discussions was the Stansaab incident. Perle said that it had cost the U.S. Armed Forces several hundred million dollars.

Missile Sales Suspended

Another matter the Swedish Government wanted to discuss was the Sidewinder 9-J missile which would have been suitable for the fighter version of the Viggen aircraft. The Armed Forces had submitted their import license application in 1979. They assert that up to that point things had advanced rapidly. But at that point they were advancing slowly.

Weinberger seemed to be satisfied with his trip. On what they may have reached agreement is a closely guarded secret. But it was not until 1984 that the Americans completed their investigation of Stansaab, which in the meantime had changed its name to Datasaab. The company was ordered to pay over $3 million in fines, the highest sum it was ever ordered to pay.

This happened in April 1984. In July a license for the Sidewinder 9-J was granted. By then the fighter version of the Viggen had been completed — 5 years!

It seems likely that American officials brought Stansaab and the Sidewinder together. But there is also another connection. Early in the year the Swedish Government had performed very creditably from the American point of view. This had to do with the so-called Hakansson case.

COCOM was established in 1949. In COCOM, which came into being on the initiative of the Americans, the West was to coordinate embargo regulations involving its trade with the East Bloc. Sweden was invited to participate, but that country declined on account of its neutral status. Formally. Actually, Sweden had to yield and the export law was enacted in 1950. At that time the Swedish Government was using the COCOM lists of banned products.

In 1967, when relations between the United States and Sweden were not at their best because of the Vietnam crisis, the export law was repealed and connections with COCOM severed. As they were before, companies were dependent on their licenses, but the government was free of them.

But that too caused problems.

Computer Containers in Halsingborg

On 11 November 1983 there were four containers sitting in the port of Halsingborg. They had come from South Africa and were to go on to the Soviet Union. The goods belonged to a Swedish businessman by the name of Hakansson. Customs got a tip from American officials that there were items in the containers that were not to fall into the hands of the Russians under any circumstances.

The chief customs inspector in Halsingborg was a straight-backed official. He inspected the containers and ascertained that the cargo consisted of disassembled computers and some other items. There was nothing in the Swedish customs regulations that would have authorized him to seize the containers.

Under the circumstances the government quickly formulated a new law that banned the transshipment of military equipment from South Africa. After that, it still had to be demonstrated that computers were military equipment. To help them do this, they called on the expertise of the Armed Forces Research Institute and the Military Equipment Inspection Institute and the desired proof was obtained. On 15 January the containers were flown back to the United States where they were more than grateful to have them. Less discreetly, they announced that the equipment in the containers was destined for a factory that manufactures integrated circuits.

In Time Hakansson Sentenced for Tax Violation

Not all containers in which there is suspect equipment come from South Africa. They may also come from Norway, Denmark, Finland or some other well-behaved nation. In that event the Swedish customs office has no legal possibility of intervening. Sweden is getting to be an ideal country for smuggling, a fact that is painful for Sweden and impossible for the United States to accept.

Every externally imposed control has its limits. Doubts about the effectiveness of this control have also been expressed in the United States, where many firms engaged in smuggling are based. Considered from the American viewpoint, it may therefore be more advantageous to lay more emphasis on trust than on tight control. Trustworthy firms can be rewarded with the swift and liberal processing of license applications. Those who do not want to cooperate can wait. Time is money.

Government Has Humbled Itself

But there will always be firms ready to engage in smuggling since the chances of profiting from it are great. Therefore, the United States has to get governments to cooperate as well. The COCOM countries pose approblem inasmuch as their attitudes are often more liberal than the United States'. But the neutral countries are under heavy pressure. Austria has yielded and enacted a new export law that satisfies the demands of the Americans. Spain has copied the Austrian model — Spain does not belong to COCOM. India and Switzerland have reached some sort of agreement [with the Americans] and Finland seems to have arranged its affairs with its usual tactfulness. There remains Sweden. Last March, however, the government submitted its proposal for the enactment of a new customs law to the Riksdag.

So, according to preliminary guesses, the government has finally humbled itself. It was not easy. Sweden's doctrine of neutrality has always been based on the premise that the country's economy should be so structured that the country cannot be forced into political concessions through economic pressure. When this was for the first time asserted, they were thinking primarily of a war situation. In peacetime the populace is scarcely ready to make economic sacrifices for the sake of a principle.

Nor is the problem a temporary one either. American supremacy will probably continue to exist even in the 21st century. It is just as probable that competition with the Russians will continue to exist.

Next week Prime Minister Ingvar Carlsson will visit Moscow. They quite clearly hope that the visit may lead to an end to the sub visits.

The Americans have begun to get impatient about the embargo issue and they have their ways of applying pressure. As for the Russians, more and more irritated, they are following the situation.

Technology Vital for Finland

Helsinki SUOMEN KUVALEHTI in Finnish 11 Apr 86 pp 77-78

[Article by Martti O. Hosia: "Foreign Ministry: Finland Does Not Engage in Smuggling!"]

[Text] What would happen if Nokia — without a license — exported MikroMikkos equipped with an Intel 80186 microprocessor to the Soviet Union?

Or if there were banned American electronic devices in the navigational equipment of Wartsila's nuclear icebreakers?

Probably terrible things. The firm, or in the worst case the whole country, would be subjected to a U.S. export embargo.

This too is why Finland does not export anything illegally.

"Finnish firms have absolutely clean records. Our greatest fear is that some swindler will pull the rug out from under us," an industrial expert who will remain nameless said.

"Finland is not a country that engages in smuggling," the head of the Foreign Ministry's Commercial Policy Department, Erkki Maentakanen, asserted in his own written statement.

While violations have not occurred, everything points to the fact that people would rather remain silent on the matter.

Industry has been silent because — so it is claimed — Kari Kairamo, the general manager of Nokia and chairman of the TKL [Industrial Confederation], wants it that way.

Also, the Foreign Ministry's profile is a low one in terms of technology exports. It takes several days to get to see Maentakanen and get a statement from him.

We do not want to make a fuss over the problems caused by the export bans of the United States and its allies because Finland, no more than the other neutral countries, can afford to do so. Delaying shipments of high-tech equipment could be fatal to Finnish export firms.

The question as to whether U.S. officials have the right to check on, or still less determine, the operations of Finnish firms is under the circumstances a small detail only of interest to experts in international law.

Beginnings of a Nightmare

Among other things, the three oil-drilling platforms, built by Rauma-Repola for the Soviet Union and whose satellite navigation system had to be hurriedly exchanged for another one following the occupation of Afghanistan, have constituted the beginnings of a nightmare that have gotten as far as the press. In the United States they did not take a favorable view either of the containers of electronic equipment Finnish commercial firms shipped to Iran via the Soviet Union.

Harri Luukkanen, who was commissioned to make a study of high-tech foreign trade, stated in a report published in 1984:

"The biggest obstacles (to imports) observed in interviews with firms are occasional difficulties in obtaining the desired high tech from the manufacturing country or firm. It has, for example, from time to time been hard to get microchips, which are subject to licensing, from the United States or fiber optics for domestic needs of to be contained in products exported to the West. Because of the U.S. export embargo, we have been unable to reexport products or components to the Soviet Union or the CEMA countries."

There have not, however, been any big problems. By the Americans' own admission, Finnish firms have "behaved well."

"One-Sided Arrangement"

This is department head Maentakanen's precisely formulated view of U.S. export controls:

"In the field of high tech all countries probably want to protect their secrecy. For different reasons they also try to regulate reexporting. Export restrictions have always proven to be problematic.

Applied for years and tightened up these past few years, the U.S. export controls system is a one-sided arrangement that without a doubt restrains and impedes international trade and does not parallel its efforts aimed at freeing trade and removing obstacles to it, efforts which are especially at the present time being emphasized in international trade policy.

"Finland does not follow the export ban policy of other nations and U.S. export controls cannot as they are contain obligations for Finnish officials. Finnish firms nevertheless have to in practice operate with these restrictions. In their business dealings they can privately agree that some products will remain in Finland and that they will not be reexported or that their reexportation will be restricted.

"Firms try to determine the situation and consider their own interests in trade directed to different countries. It is naturally in their interest to preserve good and trustworthy relations with all parties. This is also in the interest of our trade partners and certainly none of them wants to damage Finland's economic development.

"If firms enter into agreements restricting reexportation on the basis of their own consideration of the matter, we must also assume that they will honor their pledges. This is not to be regarded as a restriction of one's sovereignty. Finland is not a country that engages in smuggling.

"High-tech products account for a relatively small percentage of Finland's foreign trade and a high percentage of them are manufactured domestically. No big problems have arisen. Our foreign trade system works well and within its framework we, of course, try to avoid those difficulties which restrictions imposed by other countries might produce for Finnish firms."

Overflowing with Consultants

Interpreted from the layman's point of view, the United States does not dictate to Finland, but woe is the firm that violates the export embargo.

Interpretations of the embargo list constantly maintained by the United States keep importers of electronic equipment and export firms engaged in the East Bloc trade so busy that consultants have found a new field of activity.

One of the trailblazers in this field is Heikki Auvinen, who heads Asumer Oy and who said that he has charted the course through the wildernesses of the embargo for about 200 East Bloc traders.

Auvinen's own regal idea is a high-tech "civilian use declaration" in which nations would pledge themselves to use high-tech equipment in excess of the limits only for peaceful purposes. A commission formed on the model of the International Atomic Energy Commission, which is under the jurisdiction of the United Nations, would monitor compliance with the agreement, a commission that might even be based in Finland.

Officials have not warmed to Auvinen's vision.

Another course charter is the Foreign Trade Union, in whose embargo session organized last fall about 100 people participated.

Next week it will be the turn of the Rastor Institute, the subject of whose seminar will be "U.S. Export License and Controls -- High Tech in the East Bloc Trade." The speakers on that occasion will be American consultants William Brandt and Larry Christensen, who are specialists in the field.

The fourth organizer of lectures is the U.S. Embassy, which sends embargo experts on tours through West Europe. A tour is at present in progress, but the lecturers will not go any farther than Stockholm this time because of the Rastor Institute seminar.

The embassy's trade policy department, however, assured us that it helps firms that fear [that they may incur] violations. A list of export embargo products about the size of the Helsinki telephone directory can be consulted in Kaivopuisto, or even ordered from the embassy.

The information is there, but what do we do if the nightmare nevertheless becomes reality: A container of microprocessors addressed to Leningrad in the warehous on Sompasaari, the sender unknown and the ship sent to receive it sliding up to the dock?

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FORMER ECOLOGICAL PARTY LEADER CRITICIZES TRENDS IN PARTY

Brussels KNACK in Dutch 2 Apr 86 pp 12-15

[Interview with former Ecolo MP Olivier Deleuze, by Jos Grobben: " 'If They Don't Watch Out, They'll Be Pounded Some More' "; date, place, and occasion not given; ellipses as in original; capitalized passages emphasized in original; first paragraph is KNACK introduction]

[Text] Ecolo MP Olivier Deleuze resigned not long ago because he thinks his party has made an "absurd" alliance.

Deleuze was one of the first MP's the Greens had in this country. When he literally bicycled into Parliament, it was real news. Since then Deleuze has revealed himself to be something of a Realpolitiker who has repeatedly drawn his party's attention to absurd positions and unfeasible goals. The agreement that Ecolo signed 10 days ago to help provide a reliable majority for the PSC-PRL coalition in the Walloon Council was entirely too much for him. He described it as an "absurd" alliance that will lead Ecolo to complete chaos. And he already has the first evidence that he was correct: Ecolo joined in signing the new Lagasse decree.

To express his displeasure with the agreement, just over a week ago Deleuze simply resigned. Both as an MP and as a member of Ecolo. That was some fireworks.

Deleuze: I admit it: I put on a show, but I think it's important to put it in the proper context--as I see it. What's happened inside Ecolo since the last elections? Everybody knows about the difficulties they were having in Wallonia: no majority for the PSC-PRL coalition, Toon Van Overstraeten getting thrown out to create a majority, Ecolo appealing to the Council of State to determine the illegality of the entire circus.

OK, in this context the Ecolo Executive Committee comes out in favor of making contacts with the various parties. Note: "contacts." If these were to develop into negotiations with other parties, everything was to be done out in the open. After each meeting a press communique, discussions, and so on... Well, people from Ecolo went to talk with PSC-PRL and came back with the message that it was just a matter of contacts, not negotiations, and so there was no need to make anything public. But those contacts resulted in a first basic text, the existence of which I only found out about by chance. I read something in a report from the Ecolo Executive Committee about a "strictly confidential document" connected with this. Now, I don't think that's right. I got terribly angry and at the next meeting I said: "How amateurish, people are drawing up secret documents but calmly reveal their existence in reports." I added cynically: "If Ecolo thinks it can permit itself such things, you ought at least to have been able to do it in a professional manner." Well, that first text later turned out to be the basis of the agreement. I showed it to friends of mine and they thought it was just as big a disaster as I did.

Blindness

[Question] But you turned out to be pretty much alone in that opinion. At a meeting on Friday, 21 March the agreement was routinely approved with a clear majority.

Deleuze: It wasn't that routine. There was to be meeting of the so-called Steering Group and there was a point on the agenda about the "contacts" in connection with the Walloon Region. Nothing about an "agreement," and at first I didn't even want to go to the meeting. Well, I did go and suddenly they presented an agreement. Nobody had seen it beforehand, we had to take it or leave as it stood, no amendments possible, and of the four Walloon Ecolo MP's two weren't even there. Is that internal democracy? I made it very clear at that point that I wasn't willing to be an MP for a party that would make such an agreement and even less did I want to be a representative of a so-called democratic organization that operated like that. I know, I know, as an Ecolo MP I too made compromises and defended positions that a majority of the Ecolo people thought were the right ones, even though I happened to have a different or more nuanced view on them, but there are limits. I told them then: "You can consider this blackmail or not, but if this is approved, I won't go along any more."

[Question] Could you really not think of any other way to...

Deleuze: ...like what? I don't want to have one foot in Ecolo and the other outside, like Ecolo now has one foot in the Walloon government and one foot outside. I'd rather have both feet in or both feet out.

[Question] You could, for instance, have tried to step in earlier, to put a brake on things. After all you were one of the party heavyweights.

Deleuze: I was aware of the contacts but you have to remember two things. First, I was not directly involved in this affair because, being from Brussels, I don't sit in the Walloon Council. Second, a clear mandate had been given to Ecolo representatives to make "contacts" and there was a built-in safety factor: if the contacts developed into negotiations, everything had to be done out in the open. Now, I may have misunderstood that.

[Question] Then that was a serious mistake. After all this is one of the most important agreements Ecolo has made in its short existence.

Deleuze: The most disastrous in any case. What does Ecolo hope to achieve with this agreement? Do you see the party already going over to the PSC-PRL with that paper? If they don't watch out, they'll be pounded twice more. Ecolo has simply let them put it--Ecolo--into their pocket. For me politics is just a game of power and those who don't play it carefully get eaten up by their opponent. And that's going to happen with Ecolo: it's being eaten up by the PSC-PRL. It's the blindness I don't understand. Maybe Ecolo hasn't educated its people enough, in the political sense at any rate, and you could also accuse me of having done too little of that... But that complete blindness... walking into the trap with their eyes open like that, I simply don't understand it.

[Question] Ecolo now claims that it has a number of concrete things down on paper guaranteeing advantageous cooperation.

Deleuze: In my opinion it's an empty agreement. Take a close look at those six pages. Ecolo commits itself to provide a majority for a number of issues, excepting everything directly or indirectly connected with dams, highways, nuclear plants, and political appointments. In exchange for that the PSC and the PRL will draft decrees on such things as surface water, underground water reserves... Is that agreement advantageous for Ecolo? No. I have three observations to make on it. First of all, PRACTICALLY it won't work. You're sitting there with the PSC-PRL at a meeting and the subject of nuclear plants comes up. What are you supposed to do? You leave, go out into the corridor because you don't want to have anything to do with it. Five minutes later they let you in again to talk about the budget. And they ask you in a friendly way to approve the budget, because that's in the agreement. Even though the budget appropriates money for a new nuclear plant. That's just too absurd!

Second, those decrees. What are they anyway? A decree comes out: "Surface waters must be clean." Period. Signed, the minister. That'll get you a long way. That's empty show. And third, you have no power or control instrument at all. If you make an agrement like that, then at least see to it that you get ministers. As it is, you've got nothing to show for it.

Fantastic

[Question] Green parties everywhere seem to have the most difficulties when they have to change from being a party of critical ideas to a coalition party. The Germans too have had an awful lot of trouble with that.

Deleuze: The fact that the Greens have joined up with the SPD in Hessen I think is very positive. They were beginning to be labeled as a permanent opposition that didn't do anything constructive. Now, I personally am not a "purist" who believes you have to wait until you have 51 percent of the vote before you do anything. The difficulty, however, is this: when do you join a coalition, with whom, and on what platform? To do that you have to make two compromises, one INTERNAL to determine the modalities of the coalition, and one EXTERNAL to determine the content of the coalition agreement. What happened with Ecolo is that they simply never made that first compromise. I have the distinct impression that they're talking more about that in the Flemish Greens and I'd advise my Walloon and Brussels friends to go take more of a look at them.

[Question] What do you think of the coalition in Liège between Ecolo and the PS?

Deleuze: Liège was a VERY special case. Just the fact that they had to borrow 170 billion francs there... I'm no Maoist, but the power the banks have over a town like that... Well, I think what's happened in Liège is great; in Liège Ecolo really makes the difference between the PS on the one hand and the PSC-PRL on the other. There's no question there of helping this one or that one to get a majority for a bit, no, they're really joining in the government, with six members of the Municipal Council and three magistrates.

[Question] You haven't always been so positive about the Liège experiment, have you?

Deleuze: No, I've had to revise my opinion of that twice. In the beginning after more than 2 months of tough-as-nails negotiations, after they drew up the document--a real book it was--on the PS-Ecolo cooperation, I thought, "tremendous, tremendous." But then the talk started about total city salaries and wages, about possible firings. And the unions just sat there; only the ones in Liège came out on the street but nobody followed them. At that moment I thought: "My God, what can we achieve there? Wouldn't it be better if we just dropped the whole thing?" But it didn't happen that way; the poor Liège Ecolo's bit the bullet, with their main argument being that if they quit, it would be an opportunity for the PSC-PRL and that would be a bigger catastrophe yet. I admit it, I was very sceptical about that, but today I have to say that my doubt was unfounded. The Liège experiment is beginning to bear fruit. You see it in the small things: Place Saint-Lambert, which is finally presentable again after so many years, the fact that social housing is no longer assigned on the basis of party cards...

[Question] That lack of concrete accomplishments, in the long run can't that weigh heavily on a small party like Ecolo? All the large parties always claim that the small ones have no power and thus can't accomplish anything.

Deleuze: The Greens have been around in this country for scarcely 5 years, so you can hardly expect there to be a whole list of things they've accomplished. You can't fix up in 5 years what's grown up wrong in 150 years. What we have to do is to see if people accept our ideas. The question then becomes: "Have we succeeded in producing ideas that are new, that weren't around before, and that won't go away now?" That question is a lot more relevant than just plain asking about concrete results. And I would say: "Yes, something has changed."

[Question] Yes, for instance the fact that other parties are now going around with bits and pieces of the Green program.

Deleuze: So what? That's tremendous. Other parties are recirculating our ideas, I think that's fantastic. The goal of movements like Ecolo really can only be for its ideas to be recirculated by 10 million Belgians. There is of course the eternal question of how far the other parties are willing to go. I'm afraid they're not at all eager for such a REVERSAL and in many, very many cases it won't go any further than inclusion in party programs and pretty promises.

Tanks in the Street

[Question] You sat in the Chamber for 5 years. All in all did you find it a positive experience?

Deleuze: That first year I was right up in front, I had a fine view of everything. At that time I thought to myself: "This doesn't amount to much, does it?" The 212 people with their little intrigues, the lies, the quarrels... Oh, I knew they were all representatives of pressure groups, some of them with enormous power--I was probably the least important of them in this regard--but even so I wasn't impressed by that because I realized that the real power did NOT lie in that semicircle. The second thing I've taken away is that Parliament is the living proof of the imperfection of democracy. I voted for things there that I didn't understand at all, that I hadn't even read. At first the four of us sat there and we didn't even manage to get through all the documents we had to vote on. God, take a budget that 60, 70 specialists have been working on, you can't expect us to decipher that in the blink of an eye. When we had to vote on things like the harmonization of pension systems, yes, I have to admit in all honesty, we were competely at sea. That isn't right, you get frustrated. But when you get to thinking about it, you start looking for alternatives. And what's the alternative in this case? Tanks in the street. Well, if I have to choose between that shop and the tanks, it's an easy decision to make.

[Question] Do you think your resignation will have important consequences for Ecolo?

Deleuze: No. My resignation and that of two other Ecolo cadres won't plunge the party into chaos, but the agreement will. THAT is the coup de grace for Ecolo. The fact that I chucked the whole thing, oh, a party won't go under from one man overboard, but they'll be eaten alive...

[Question] Your resignation from Parliament is definitive, but it would seem that your resignation from Ecolo is not so irrevocable.

Deleuze: Ecolo hasn't become my enemy; if it had I'd be denying everything I used to worship, but as it is, I'm a member of the party who's resigning. The statutes allow anybody to apply. You are on probation for 3 months and then they evaluate you. So I'm free at any time to apply for membership and then it's up to the movement to accept me after 3 months or to reject me. If Ecolo drops that disastrous agreement, then all options are open.

[Question] And what are you doing in the meantime?

Deleuze (holds up LE SOIR): Look here: "Young, active agricultural engineer seeks work." And then my name. That's me. Yeah, I really want to look for a job.

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POLL FINDS SLIGHTLY MORE SUPPORT FOR GOVERNMENT THAN IN 1982

Helsinki UUSI SUOMI in Finnish 23 Apr 86 p 11

[Article: "UUSI SUOMI Compared Government's 'Testimonial' Now and in 1982, Center Most Satisfied, Even SDP More Approving"]

[Text] The government's reputation has improved slightly in 4 years according to a poll conducted for UUSI SUOMI by Taloustutkimus Oy [Economic Research Company].

Last March the government received an average grade of 7.16 on its report card -- in February 1982 the grade was 7.05.

It is politically interesting that the government's reputation has improved perceptibly among the Social Democrats. The SDP was the leading ruling party in 1982 as well as (Mauno Koivisto had just left the prime minister's post for the office of the president) in 1986.

The alleged consensus pressures have thus not weakened the government's favor within the party's own circles, to the contrary.

However, the Center Party was the most satisfied with the government in both polls be it the result of the attitude toward life among its constituency or its political achievements.

The farmers are also quite satisfied even though the grade they gave is lower while the grade given by Center Party members was higher on the average.

SMP [Finnish Rural Party] in the Middle

Among the other ruling parties the RKP [Swedish People's Party] is included in the group "others". In the recent poll the SMP's voters give a better grade than the opposition, but slightly lower than its ruling partners. In 1982 the SMP was also included in the group "others".

In 1982 the SKDL [Finnish People's Democratic League] was still in the government, but even then already its voters gave a grade in the spirit of the opposition. The grade given by the extreme left wing has fallen only slightly during its years in opposition.

Opposition More Satisfied

Since the satisfaction of the Conservatives with the government has improved slightly in spite of the continuing discrimination against it on the part of the government, both the large opposition parties now give nearly the same grade.

The consensus period is probably reflected by the fact that the difference in grades given by the ruling parties remains quite small.

Among the various age groups youth are the most critical, those over 50 are the most satisfied, but the gap is narrow (7.03--7.24). No actual differences appear on the basis of social position. Satisfaction is somewhat better in central Finland than elsewhere on the basis of residential area.

Women are clearly more satisfied than men -- now as well as in 1982.

> The following question was presented to 892 respondents at the end of March 1986: "How well or poorly does the present government answer the hopes and expectations you would expect of a good government? Answer on the basis of the grading system of 4--10 familiar from school."
>
> The average grades in the various respondent groups based on party support was as follows:

	March 1986	February 1982
All	7.16	7.05
SDP	7.34	7.15
SKDL	6.82	6.90
Conservative Party	6.85	6.67
Center Party	7.49	7.29
SMP	7.10	--
Greens	6.72	--
Others	7.10	7.13

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POLITICAL FINLAND

NEWSPAPERS COMMENT ON POLL SHOWING DROP IN KOIVISTO SUPPORT

Swedish-Language Newspaper: Decline Exaggerated

Helsinki HUFVUDSTADSBLADET in Swedish 9 Apr 96 p 2

[Article by Bjorn Mansson: "President of Half the People?]

[Text] The president is not above all criticism, but UUSI SUOMI has carried the interpretations of its poll regarding Mauno Koivisto's popularity unnecessarily far, writes Bjorn Mansson, who finds it unfortunate if the presidential election should begin in this manner.

The political activity regarding the presidential election not quite 2 years from now is in the process of intensifying. As early as this month Center Party deputies will propose the nomination of Paavo Vayrynen for presidental candidate by the congress in June. The Social Democrats are still lying low, but Kalevi Sorsa has frequently had time to insist that Mauno Koivisto is the party's candidate, if only he is available. The nomination is expected to take place in the summer of 1987.

In conservative circles the aim is also, as is well known, to nominate the Coalition Party's own candidate during the party congress in the summer of 1987. The conservative press appears not have the patience to wait, however, but is already allowing its, let us call it curiosity, to be expressed.

Last Sunday the AAMULEHTI survey regarding the preferences of the Kokoomus activists in the presidential election was commented on here. That same day UUSI SUOMI published the results of a Gallup poll measuring President Koivisto's popularity. It appears to confirm what had been suspected, that is to say that his popularity, in particular in conservative circles, is decreasing.

The Gallup question was the following: "How well or how poorly does Mauno Koivisto fulfill the wishes and expectations you have for a president?" The replies were to be indicated by means of that grading scale between 4 and 10 which everyone knows from school.

The result is an average grade of 8.05, according to the usual verbalization of the grade point average, that is to say "satisfactory." However, this must be compared with the fact that the corresponding poll in February 1982, right after Koivisto had taken office, produced the average grade of 8.39.

However, more interesting than this in itself not overly significant change are the differences in popularity development within various social and party groups. UUSI SUOMI makes a big deal out of the fact that the president's popularity has declined most among white-collar workers, in the 35-49 age group for men and among supporters of the Coalition Party. The average grade given by the latter category has dropped from 8.1 to 7.4.

What conclusions should be drawn from this? UUSI SUOMI's editor in chief, Jyrki Vesikansa, personally goes very far in his initial comment: From having been the president of all the people, Koivisto is drifting toward being the president of just the left, and primarily of its basic supporters.

It is understandable that this undeniably rather harsh interpretation has aroused anger, especially in Social Democratic ranks. There is talk in the Social Democratic press of an "attack on a broad front" on the president, and the entire justified counterquestion is asked, whether a Harri Holkeri or a Paavo Vayrynen would be more of a "president of all the people." Party secretary Erkki Liikanen has had time to point out that Koivisto's potentially declining popularity should be compared to the popularity of other intended candidates.

In an editorial yesterday (see today's discussion below) UUSI SUOMI admits that in 1982 it was expectations that were measured and that not until now were achievements and results measured. One also admits that it is natural that a president who begun his activity under high expectations should see his popularity become somewhat worn "under everyday friction." When referring to the fact that Urho Kekkonen's popularity increased gradually over time, one forgets to mention that his starting position in 1956 was a completely different one from Koivisto's in 1982.

US [UUSI SUOMI] persists in its opinion that Koivisto "increasingly clearly is being branded as the president of his basic supporters, the leftist members of the FFC [Central Federation of Labor Unions]." This is a harsh judgement, which US tries to verify with a list of the president's "offenses" in relation to the conservatives: the government solution in 1983, when the Finnish Rural Party was included in the government, "the arrogant discrimination" of the Coalition Party, the decision in the issue of holidays in the workweek, the statement before the joint strike by the FFC, yes, US even mentions that Koivisto refused to participate in the scouts' 75th anniversary and accuses him of having assigned the lowest priority to conservative newspapers when giving interviews.

The list no doubt includes justified elements such as the weekday holiday controversy (particularly its constitutional side), but also material with which it is unreasonable to burden solely or even principally the president (such as the government base).

Of course, the president cannot or may not be above all criticism--despite the fact that in Urho Kekkonen's days Finland's people was sometimes forced to experience the opposite. Nevertheless, it appears obvious that UUSI SUOMI has now unnecessarily--and actually foolishly--carried its interpretations of the current popularity poll to such harsh extremes. And that the Social Democratic reply has a taste of excess in self-defense.

This overture to the presidental debate therefore does not augur very well. Would Harri Holkeri, for example, perhaps like to make himself available in a campaign that starts out with the accusation that Mauno Koivisto is the president of only half the people?

Other Newspapers' Comments Summarized

Helsinki HUFVUDSTADSBLADET in Swedish 9 Apr 86 p 2

[Editorial roundup]

[Excerpt] President Koivisto's popularity has again been examined with a grading scale and the grade was 8.05, which is somewhat lower than before. UUSI SUOMI, which commissioned the grading, draws the conclusion that Koivisto has increasingly become the president of the left and that his stock among the citizens has gone down as a result of certain statements made and positions taken during the past months. In the communists' principal mouthpiece a columnist points out that the somewhat lower support for Koivisto has its explanation in the fact that the temporary excitement and desire for protest which characterized the latest presidential election have now faded. The FFC's mouthpiece discusses presidential power, while a writer for HELSINGIN SANOMAT's economics page believes that the issue of the fifth nuclear power plant faces a decision this spring.

Koivisto's Support

The slightly reduced support for President Mauno Koivisto which UUSI SUOMI reported in a public opinion poll is commented on by the newspaper.

"The disappointment of the white-collar workers and Coalition Party members is understandable. In various ways Koivisto has stressed that he is expressly the president of the traditional working population. At the bottom of this is probably his personal, well-known career. He seems, at least unconsciously, still to regard the white-collar workers as fortunate people, whose interests it is not necessary to take into special consideration."

UUSI SUOMI then notes the disappointment of the conservatives that they are still kept out of the government, something which even non-partisan conservatives are unhappy about, according to the newspaper.

"Besides the political issues the disappointment over Koivisto may also depend on his coolness regarding many cultural and other interests. For instance, the president refused to participate in the country's largest youth organization, the scouts', 75th anniversay celebrations. The most central conservative newspapers ended up at the bottom of the list over interviews with Koivisto.

"The decline in popularity for Koivisto is of course due not only to one or two incidents, but the weekday holiday decision and his position on the FFC's joint strike no doubt accelerated the development...

"One might think that from Koivisto's and the Social Democratic Party's point of view the opinion poll should be a source of concern, when the president's popularity has declined in the upwardly mobile social groups, particularly among those in the most able-bodied age group. For the Center Party, the result is an impetus to the campaign for Paavo Vayrynen.

"On the part of the Coalition Party, the result confirms its decision to enter a candidate of its own. People in the Coalition Party have also contemplated backing the sitting president; the price would of course be that they would be included in the cabinet. In this context they could point out their support for Urho Kekkonen in 1962 and, in the opposite case, that they opposed him in 1968.

"Such a game of tactics does not appeal to the membership of the Coalition Party, however, and on the other hand Koivisto is constantly moving away from the conservatives. But in a country with many parties it should be possible to enter various coalitions. Much depends on the conservatives' own candidate."

The Time of Ecstasy Is Past

If the grade given to Mauno Koivisto has dropped from 8.39 to 8.15, that in itself is not such a big deal, states editor Mauri Sirno in his column in the communists' KANSAN UUTISET.

"Noteworthy in this result is that the support has positively declined among intellectual workers and coalition party members. In this constellation the intellectual workers represent precisely that temporary ecstasy and desire for protest on which the Manu phenomenon to such a great extent was based. The grade given by the Coalition Party members reveals that the father of the nation cannot forever please all of his children. Right now those who are well off even feel cheated!

"Another element to which there is reason to pay attention is that the support for Koivisto has remained stable only among the People's Democratic League [DFFF]. The DFFF is also the only party which from the beginning had a realistic and critical attitude toward Koivisto.

"The 'idea' behind the now published poll is, of course, that the results benefit UUSI SUOMI and the business and industry delegation which is the newspaper's background. Jaakko Lassila's and Mika Tiivola's candidate will have more freedoom of movement the further "left" Koivisto appears to drift.

"When pointing this out, is is not necessary that there be a genuine drift to the left, even. In political voting it is enough with just fantasy."

Presidential Candidate Vayrynen

When Paavo Vayrynen is entered as the Center Party's presidential candidate, the party can rest assured that he will cope with even the toughest strain, says ILTALEHTI, and reminds us that Vayrynen has already had to run the gauntlet in the political arena.

"Nevertheless, Vayrynen still seems somehow semi-finished. This is partly due to his youth, and partly to his reluctance to free himself from the world of ideas of the rich party bosses. The presidential candidacy is therefore likely to make the Center Party aim for the prime minister position more intensely than before, for which one is prepared to pay an increasingly higher price when the path to the office is cleared."

"It is thus too early to say anything about the Center Party's political program in the presidental election struggle. The party's daily press, however, pays minute attention to even the slightest offense it thinks it sees in the way President Koivisto discharges his duties. It is obvious that people in the party hope that it will be possible to leave out foreign policy, so that the election campaign can be conducted with domestic policy and ideological slogans. Koivisto, who is clever, will certainly find a way out of such a trap, if he is a candidate. If the opponent is someone else, it would be suitable for Vayrynen, who is experienced in foreign policy, to move the contest into that area."

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POLITICAL FINLAND

PROGRAM OF 'DEMOCRATIC ALTERNATIVE' REJECTS CONSENSUS POLITICS

Helsinki HUFVUDSTADSBLADET in Swedish 18 Apr 86 p 2

[Editorial by Bjorn Mansson: "The Party That Doesn't Want to Be a Party"]

[Text] The registration of the minority communists' "democratic alternative" as a party confirms that the so-called unity efforts have reached an impasse, and it seems to be the decisive step toward the definite split of the FKP [Finnish Communist Party], writes Bjorn Mansson.

The decision by the minority communists last weekend to found an "election party" of its own must be regarded as a new, seemingly decisive, step toward the definite split of the Communist Party and the entire popular democratic movement.

The fact that "democratic alternative" will allow itself be registered as a party confirms that the so-called unity efforts have reached an impasse, although people maintain that the registration is only a formal one and dictated by the existing election laws. Either you are an r.p. (registered party) or not. The party also will not be dissolved immediately after the parliamentary election; on the contrary, it will continue its activity "until the FKP's course has changed."

The fact that the new party is not a normal party in all respects is evident already from its organization, which is extraordinary, to say the least. The party is headed by a "collective presidium" consisting of 11 persons who in turn, with a touch of the pathetical, is headed by 74-year-old veteran Leo Suonpaa. At it side the presidium has a 100-person body called a delegation.

On the presidium sits, among others, former Finnish Communist Party boss Jouko Kajanoja, and the delegation includes minority leader Taisto Sinisalo, among others, but other than that there is an absence of well-known politicans. The intent is apparently to try to give the impression of spontaneous citizen action. Even some non-communists are said to be included, but exactly who they are has not been revealed.

"Democratic Alternative" apparently tries to model itself after the DFFF [Finnish People's Democratic League] and says that it intends to woo "leftist Social Democrats," progressive Center people, Greens and other alternative movements. This attempt is surely doomed to failure. Leftist socialists are likely to be more attracted by a DFFF/FKP purged of Taistoits, while people disposed toward the Greens surely prefer the Greens. Why would they support the minority communists?

That the "alternative" does not have any particular base is evident already from the fact that not even the most dogmatic of minority communists under Markus Kainulainen's leadership have allowed themselves to be convinced of the blessings of the election party. They would be prepared to found a regular Marxist-Leninist party....

The leading principle of the initial program declarations of the new party appears to be a complete rejection of the policy of mutual understanding which goes by the name of consensus. The intention is apparently to try to capitalize on the discontent over the wage agreements of which there are certain indications.

About a week or so ago TIEDONTAJA described this point with a very revealing expression: The motive for expressing solidarity with the striking civil servants was that one supports everyone opposed to the general wage agreements!

The "alternative" does not have any expressly communist or even socialist goals, but then it isn't supposed to be a genuine party, either. But how many non-communists do they believe they will succeed in attracting? Particulary since the ultimate intent is still to influence, not to say take over, the Communist Party.

Just how realistic that goal is, is another matter altogether. By founding a party of its own the minority now chooses to place itself even in person outside the FKP (and DFFF), which naturally do not tolerate double membership. How are they then to mobilize any opposition against the present FKP leadership?

Thus, the questions are multiplying about the newest of our parties. Its election prospects as well are a question mark. The minority communists are believed to have a chance at no more than half a dozen parliamentary mandates, while the DFFF could gather up to 15. Now they have a total of 27.

One consequence of the fact that two communist groups are participating in the parliamentary election is clear, in any event: From a purely mathematical point of view it will become easier for other parties, primarily the less conservative ones, to win mandates. For that they have the "democratic alternative" to thank.

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POLITICAL FINLAND

WORKERS IN LIBYA URGED TO SEND DEPENDENTS HOME

Helsinki HUFVUDSTADSBLADET in Swedish 18 Apr 86 p 8

[Text] Relatives of those Finns who work in Libya have been advised to go home. At a meeting in the Finnish Embassy in Tripoli Thursday morning representatives of 12 Finnish companies in Libya discussed the situation and decided to recommend that spouses and children should be sent home. This does not involve any form of command, emphasizes acting Charge d'Affaires Ulla Maija Suominen at the embassy. Each Finn in the country will make his own decision to stay or go home.

Suominen could not on Thursday comment on how many Finns intend to leave the country or when the first will be leaving. There are daily connections with Europe, and if the airport is kept open and the situation remains as calm as now there should be no problems, Suominen said.

The Tripoli airport was opened on Thursday. Just how connections to the airport are operating was difficult to evaluate even as late as Thursday evening, but some airlines have announced that they are flying there. The mood among the Finns in the country has been calm, according to Suominen, and even the capital of Tripoli was calm on Thursday.

Traffic has been insignificant, and it seems as if the inhabitants of the city have brought their families out of the city in recent days, so that it is calmer than usual.

According to Foreign Ministry reports there are about 180 Finns in Tripoli, most of whom are employed in the country, and about 20 dependents. (FNB)

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STALINIST NEWSPAPER ON NEW 'ORGANIZATION COMMITTEE' PROGRAM

Helsinki TIEDONANTAJA in Finnish 23 Apr 86 p 3

[Article: "TIEDONANTAJA's Base Expanding"]

[Text] Representatives of 750 primary sections and other organizations of the Communist Party, who will meet at the Hervanta Recreation Center in Tampere this coming weekend, will choose leadership organs for the party in accordance with the regulations of the SKP [Finnish Communist Party] as well as approve documents dealing with the Communist Party and the political situation.

The expansion of the publishing base of TIEDONANTAJA will also be determined in Tampere. At this time the newspaper is published by eight SKP district organizations.

Yesterday Taisto Sinisalo and Jouko Kajanoja explained the intent of the Tampere meeting to the press. Sinisalo said that demonstration meetings were previously arranged on behalf of the SKP, but now tougher measures are needed.

"It is time for organizational building," stated Sinisalo, in whose opinion the nature of the Communist Party as a Marxist-Leninist and internationalist party has been threatened since Arvo Aalto's faction seized power at the 20th Congress. Aalto has systematically begun to disrupt and dissolve the party by suspending nearly half of its district organizations, among other things.

New Party Will Not Be Established

"The selection of a new Central Committee is based on the assessment that for 2 years the party has not had a democratically elected leadership which enjoys the support of the majority of the membership," stated Sinisalo.

"We do not recognize the present leadership," stated Jouko Kajanoja. According to Sinisalo, the SKP's present leadership, for its part, does not recognize the membership.

Sinisalo and Kajanoja emphasize that it is not a question of establishing a new party and there is no intent to register a new Central Committee. Sinisalo commented on Arvo Aalto's argument that those meeting in Tampere do not have the right to use the SKP's name.

"We are Communists, we have a membership card and rules jointly approved by the SKP, also the suspended sections and districts will continue to carry the SKP's name, and no one can be deprived of their convictions."

Interest in the Tampere meeting has been so great that in addition to all the representatives coming from the areas of 17 districts, the 1000-person capacity hall cannot really accommodate observers even though there was a sufficient number of such people wanting to attend.

What is in question is a considerable assembly of forces on behalf of the SKP, say Sinisalo and Kajanoja. As a consequence, TIEDONANTAJA will become a nationwide newspaper from the present paper representing eight district organizations, its publishing base will expand, and its editorial staff will also acquire additional forces.

The YHTENAISYYS paper, established a year ago, will cease publication. The selection of TIEDONANTAJA as the chief party organ will be proposed to the Central Committee to be elected in Tampere. The Tiedonantaja Association will not be disbanded, it will remain the paper's publisher.

Jouko Kajanoja believes that the expansion of TIEDONANTAJA's base will also mean that its circulation will increase. He pointed out that TIEDONANTAJA is in this respect an exceptional workers' paper since it has increased its circulation in recent months.

The Tampere meeting has been convened by the SKP's Organization Committee, in which the eight suspended district organizations and unification committees from the areas of nine districts are represented. In the invitation it states that the Tampere meeting will deal with tasks for preserving the SKP and continuing its work as a Marxist-Leninist party, and for strengthening its ideological, political, and organizational foundations as well as restoring party democracy.

The status of the district oriented unification committees will change. They will be made responsible for the work of the district organizations in their own areas. The nationwide Committee of SKP Organizations will be terminated.

Party Office in Pitajanmaki

TIEDONANTAJA and the association publishing it have operated out of an office located in Helsinki's Pitajanmaki for some time already. The new Central Committee and secretariat will also be located there. "There are vacant rooms in which they can be accommodated," stated Sinisalo.

Sinisalo corrected the publicly circulated erroneous interpretations of the relationship between the Tampere meeting and the Democratic Alternative election organization established a couple weeks ago. The task of the election organization is to assemble a front responsible for a consensus policy to be made as politically broad as possible for the elections, at the Tampere meeting it will be a question of saving the Communist Party.

SKP Unity Continues To Be The Goal

Jouko Kajanoja said that the unity of the SKP continues to be the goal. "We will not monopolize the symbol of party unity. We know that in the SKP there are many members who will not be represented in Tampere, but they support unity."

According to Kajanoja, there is a foundation for the 21st Congress to unify the party. According to the regulations, it must be held in the first half of next year. The Tampere meeting has been prepared by three committees, in which there is representation from the areas of all 17 of the SKP's districts. Each committee prepared its own document and in addition there was an election committee.

In accordance with the regulations 50 members and 15 deputy members will be elected to the Central Committee. A chairman, general secretary, a Politburo as well as a secretariat will also be elected to the Central Committee. The Tampere meeting is being compared with an extraordinary congress and no fraternal parties have been invited.

Banks and Insurance Companies To Be Nationalized

Current domestic policy development is called neo-right wing in the political document. The nationalization of banks, insurance companies as well as the most important large industrial plants, among other things, is proposed as a remedy for this development.

It is demanded that the basic income be made tax free by eliminating taxes on incomes less than 4,000 markkaa as well as the sales tax on food. The other side of the tax reform is the elimination of tax reliefs for large businesses.

The document is based on the political document prepared jointly and approved at the SKP's 20th Congress in 1984 and subsequently supplemented and made more timely.

A Mini CSCE for The Baltic Sea Countries

It is demanded that a low profile be abandoned in the area of foreign policy and that a new direction be given to trade policy which would strengthen Finland's cooperation with the Soviet Union and the other socialist countries.

A mini CSCE of Nordic and Baltic Sea countries, the consideration of which is being proposed to the Finnish Government, would be a concrete foreign policy initiative.

10576
CSO: 3617/103

BRIEFS

COMMUNISTS SEEK TO JOIN GOVERNMENT--According to SKP [Finnish Communist Party] Chairman Arvo Aalto, the Communists will go into the forthcoming parliamentary elections with the purpose of creating political conditions for participating in the government after the elections. Aalto spoke about the government plans of the Communists on Saturday at a meeting of the SKP's Lapland District Organization in Kemi. Aalto considered the effort to turn back the political right-wing trend as the most important political condition. In his opinion, the strengthening of the SKDL [Finnish People's Democratic League] in the elections is an inevitable condition of this new direction. The most important lesson of government cooperation learned by the Communists so far is according to the Aalto the fact that the People's Democratic movement cannot lose the characteristic of a people's movement even while participating in government. [Helsinki UUSI SUOMI in Finnish 20 Apr 86 p 9] [10576]

POST-CONGRESS REFLECTIONS ON PCI

D'Alema on PCI Changes

Rome RINASCITA in Italian 3 May 86 pp 4-5

[Interview with Massimo D'Alema by Massimo Ghiara; date and place not given]

[Text] Reasons that require reflection by we ourselves. To have roots in a complex society and know how to govern democratically a process of decision and change, a process that does not diminish itself in a decisionistic reduction of complexity or gliding over it. Development of democracy in the internal life of society, and opening society up. Effort in invention, experimentation and cultural tension. The fundamental need for an atmosphere of solidarity that keeps firm among us the sense of common commitment.

[Question] One of the main novel features of the PCI 7th Congress was the attention to problems of the party, both with respect to its structure and to its relationship with the political system and society. What were the reasons for this choice?

[Answer] There were basically two reasons. First of all, the fact that we feel there to be an impoverishment of the party. The statistics show it--drop in members, aging process--as does also our experience in the life of our sections, marked by a decline in militancy, in active participation by the comrades. This, for a party that does not aim only at simply maintaining its membership but at having a role as a force of leadership and change, is obviously a reflection on itself.

The second reason is closely linked to the political innovation and cultural character of the discussions and decisions of the congress. In our history, the major political developments, the great changes, have always involved reflection and a process of party renewal. It seems obvious to me that today, when we define ourselves as a party that is an integral part of the European Left, as a party that accepts the challenge of the major economic, social and cultural transformations of our time, as a party that aims at being a force in government, we should pose three questions that affect both the structure and the way of life and work of our organizations.

[Question] The expression "modern reformist party" has been used to sum up the significance of the reports emerging from the Congress on the subject of the party. Could you explain the factors that best characterize this definition?

[Answer] First of all, the three political choices that I underlined at the outset. There were various emphases in the congressional debate: it was said that the 7th should be the congress of the program government, then that it should be the congress of the alternation. Now I do not want to detract at all from the political value of these watchwords: however, in my opinion, in order to fully grasp the most profound meaning of this congress it is necessary to return to the nature and scope of the questions to which we should give an answer. In substance, what has again been called into doubt is whether a big communist party has meaning in this part of the world and in this historical phase. With the watchword, the formula modern "reformist party," we have given the right answer. We have affirmed that the Italian Communist Party, by its links with society, by its culture and its tradition, has within itself the possibility to assert itself in a not subordinate way, and this without renouncing itself, as a great reformist force in the alignment that is struggling in Europe to provide a leftist response to the crisis.

[Question] There are some who have a different idea about what it means, in fact, to be a reformist force...

[Answer] To us, there is only one meaning: to have roots in a complex society and to know how to democratically guide a process of decision and change, a process that does not reduce itself in a decisionistic reduction of complexity or gliding over it, since these two tendencies end up canceling each other out, without any effect on reality.

[Question] A point of great importance is development of democratic life within the party. The Congress sanctioned and broadened the right of dissent, but at the same time confirmed the unitary character of the party. Isn't that a contradiction?

[Answer] There is no contradiction, because the unitary character of the party must be understood simultaneously as objective and method, and not as "a priori." And it seems to me that from this point of view the process of the Congress debate was to a considerable degree exemplary, demonstrating in real life that it is possible to achieve, through an open debate in which differing and also contrasting positions are opposed, a broadly unitary synthesis.

[Question] Still on the subject of democratic life. Could one say that the Congress decisions point out the fundamental path for defining on the one hand the processes of decision-making, and on the other for better utilization of the great resources in culture, sensitivity, and creativity that exist in a mass political party like the PCI. How do you think this should be reflected in concrete, daily activity within the party machine?

[Answer] We formulated a series of proposals that move--I shy away from the ugly word--in the direction of, shall we say, a debureaucratization, an expediting of all the party's way of life and work. It is here that the issue of greater democracy presents itself as essential. We are aiming at a party in which, through methods of consultation and sharing of responsibility with the basic-level leaders and members in the policy decisions, there will be a richer and continuous flow of opinions and information; a party that will at the same time be capable of involving in an organic and not occasional way the capabilities and specialties in the moment of decision.

What does this mean, concretely? A party that knows much better how to work for specific objectives, and thus gradually learns how to choose and concentrate the forces it has available. That creates the conditions so that women and men who are not committed full-time to politics have the opportunities and places to meet and give their opinion on things, naturally in such a way that this has a real effect. We need to call on members, friends, and supporters to give their opinion on concrete issues, while giving them all the necessary factors. The task of an apparatus is this and none other: to be a permanent structure that facilitates access of the citizens to political life.

[Question] These propositions call for a really considerable rethinking. In outline: in what area will there be retention, and in what area renovation?

[Answer] I believe that what must be kept and defended is a certain way of conducting and viewing politics, our characteristics of seriousness, intellectual discipline, and idealistic and moral intensity. In this sense, I maintain that the PCI should be a kind of "anti-leopard": there are things that must not be changed if one wants to change where it is necessary. Otherwise one can spark a conservative reflex in the party, a fear of the new, if the new comes to be seen as loss of values, loss of identity.

This also concerns the party's mass organizational structures. It would be a mistake to aim at opening up to specialisms, and to new forms of political and social activism, or also to introduction of "light" structures such as elimination or superseding of the mass party. Instead, these should be regarded as moments that give new life blood, new opportunities for participation, that further articulate and diversify also the basic structures of the party. I would mention the example of the vocational sections, or the politicial initiative centers: the right approach is not to regard them as substituting for the present base structure, but as instruments that enrich its life, that put it in comunication with specific issues, different cultures, forms of new activisms, etc.

[Question] Out of Florence there came specific recommendations regarding a whole series of problems concerning renewal of the party. However, a congress document will certainly not suffice to change the situation forthwith, to overcome the difficulties.

[Answer] Indeed, what we are dealing with is a very complex task, not a short-term one, that requires an effort of invention, experimentation, and also of cultural stress, no less, I believe, than that which marked the building of the new Togliatti party. I think that the atmosphere, the relationship that we succeed in creating among Communists will be very important for the success of our effort: that is, an atmosphere of solidarity that, beyond the diversity of political and cultural opinions--indeed, however wide a difference of opinion manifests itself, will hold firm the sense of commitment to a common task.

From this point of view, in my opinion something has deteriorated in the past few years. Personally, I am in favor of applying the Maoist principle of the "three things not to do." The first is not to profit from the mistakes that another comrade may make; the second, not to attach political labels, but to discuss opinions on merit; and the third, not to use a cudgel (in the metaphorical sense, naturally) in the political battle within the party. These are things that concern us; also, because we live in an open society we are under surveillance by the communications media. People want to look into our house as well, and we cannot close the windows. This requires a strictness, the defense of a certain style of relations among Communists, from the sections to the leadership groups, including the central leadership.

[Question] In the prospect of the modern reformist party, the issue of information is assuming increasing importance both within and outside the party. Here also: in what way do we want to change?

[Answer] This is a fundamental point. Today, when we talk about democracy, we are talking basically about information. Both within our party and in contacts with broader public opinion it is thus a matter of giving maximum exposure of the processes of political decision-making; hence, to have a press that gives richer information on the party, and also to give all journalists who want to report correctly on matters in our party the full capability to do so.

For our press, this means greater autonomy and responsibility. The editorial staffs of L'UNITA and RINASCITA, like all the other publications that express the line and culture of Italian Communists, are skilled political teams. The task of the party is thus to pay attention to their training, not to exercise control. Above all, autonomy is the condition for stimulating creativity and initiative. We need to move in this direction.

[Question] Both in the Congress report and summing up, Natta emphasized that the experience of the young Communists should be regarded as one of the points of reference to be kept in mind for the political renewal that is becoming necessary. Do you think that is right?

[Answer] Yes. I believe that the current experience of the FGCI [Italian Communist Youth Federation], that commitment effort to be a basic part of the youth world, is of the greatest importance. I am convinced that if we learn to regard it with respect, not in an instrumental way, without hostility and without paternalism, it can provide a significant enrichment for the party: enrichment in ideas, awareness of the reality, and for the future--which certainly does not seem secondary to me--also cadres, independent, with their own strong personality.

PSI's Formica on Leftist Alignment

Rome RINASCITA in Italian 3 May 86 pp 6-8

[Interview with Rino Formica by Massimo De Angelis; date and place not given]

[Text] The 17th Congress can mark an innovation that could change almost all the existing balances. We have never really established in our country the objective of alternating government. The centrality of the relationship between parties and society. The "European choice" and the end of the concept of the "communist camp." When will the candidature develop for an alignment in ruling the country: national interests and international balances.

[Question] With the 17th Congress the PCI has revived the policy of democratic alternation, and at the same time has confirmed the basic concept that only through a preeminence of programs instead of alignments will it be possible to unblock the present political situation...

[Answer] Nevertheless, the problem of alignments remains. In fact, we must reckon with the forces that are today on the field and that are aligned. And with the fact that, among those on the left, division and mistrust currently still prevail over willingness to understand, to be open. Certainly not ruling out, and indeed making every effort to make possible, a self-transformation of each force and a mutual influence.

[Question] You mean to say then that we need to start from alignments?

[Answer] I am saying that we must face all the political problems associated with creating a possible new alignment. Let us start from the actual situation. The 1983 elections produced a change in the old balances of political representation in our country. From then on, in fact, the DC could no longer think about the issue of political alliances without considering the needs of others. The potential centrist alignment, around which De Mita's ideas were revolving, has reached its historical nadir. By contrast, the PCI has held ground and the PSI has grown, though slightly. Nevertheless, this whole combination of things has not produced the conditions for a politics of replacement. The demand for change, while present in society, has not yet found sufficient channels for political expression. The parties are encountering ever-greater difficulties in perceiving and directing the energies pervading society. It is a problem that concerns the entire political system, but which obviously affects above all those forces aiming at political replacement. And I believe that at the origin of this situation is the fact that the left in our country has never really set for itself the objective of government alternation. It is a serious lag. While during all these years society's need for resolving solutions has grown, as well as a realization of their necessity, the political system has instead continued to find mainly the motivations or obligations to continue to stand together.

[Question] Then starting from programs cannot be an effective means to unblock this situation?

[Answer] But what does it mean: starting from programs? Meanwhile, it should be said that the PCI Congress did not make very clear the difference between the proposals for a program government and for a constituent government; between a mediocre but possible proposal and a more substantial but impossible one. The program government is a proposal that cannot be central for a party that is thinking about alternation, but it is a proposal that can impose itself at a time when transition is making more acute, but not blocking, political relations. Constituent government, on the other hand, assumes as resolved a series of problems that are in fact not resolved at all.

[Question] There is the question of the new rules of the game. Do you think that starting off with their redefinition would be a shortcut?

[Answer] I say that either these new rules should serve once again for standing all together, and in this case talking about a constituent government amounts to confirming the impossibility for the left of offering a prospect for political exchange; or, if by the definition of new rules you want to create the conditions for the alternation, and then, yes, that proposal assumes as resolved problems that are not resolved and thus is not on the agenda.

[Question] You say that the institutional reforms are for later. However, pardon me for persisting, could not the discussion over the programs serve to point up the resolving solutions to which you referred?

[Answer] The programs also are for later. First there is the political action. It is the movements, the actions that come before the program. This may seem a somewhat activist way of putting the issue. However, I am convinced that on the left we can do nothing else but start from a discussion on relations between parties, movements and society. It is from this that a new culture and new attitudes can grow.

This a decisive issue, yet one that is today inadequately faced on the left. What relationship should there be with the new movements, such as the ecological or peace movements? More in general, what relationship should there be with the movements on "issues"? And what relationship with the trade union, with the organized labor movement?

We need to make more profound the discussion on the crisis of relations between the political left and the social left, on the crisis that has exploded in the past few years. Blaming lack of democracy and oligarchic practices seems a little simple to me. It appears to me that the political knot is something else.

[Question] What?

[Answer] The difficulty of providing sufficiently radical outlets to a growing social radicality. Turn the discussion to how the political system has functioned.

[Question] Too much mediation?

[Answer] Mediation is always necessary. Even the trade union, which is tied to organization of interests, must mediate. However, it must seek mediation at the highest point, that is, the most advantageous point. And how is this level determined? From conditions and the political outlet. When the outlet is limited, when it is so small as to be disappearing, the new powers, the new interests that want to affirm themselves against the dominant ones, certainly end up being penalized. This is the situation that needs to be unblocked. All the rest is for after. The pact among producers is also for after. It can be a moment in the political struggle, not the plan for a grand alliance. Otherwise we will get back on the road of consociation.

[Question] Leaving your present topic, what did the 17th Congress produce that is new, in your opinion?

[Answer] Well, if what appears is true, we are in the presence of a strong new development. A broad assembly of forces and energies that is unblocking itself, that is entering into the political game, and that, in doing so, is tackling the political struggle in radically different terms than in the past. And that is, not by seeking reasons for standing all together, but reasons for coming up with alternatives. This would involve a radical break from the established order of things, and thus also manifold advantages for each. In fact, the playing room that Italian democracy has thus far offered is certainly less than the scope of general representation. This would be only a relative ailment if the "micro" currently underway had, on a reduced scale, the same social characteristics and proportions as the "mega." However, that is not the case. And then we have an unbalanced democracy.

In this condition of imbalance of interests, the reality, forces in conflict, has nevertheless established a balance, a precarious one, but existing. And which operates with justification of "condition of necessity." If suddenly the political playing space were to expand, all the balances would be upset, because a strong surge of energy would be produced, all concentrated on one side of the political alignment. This is because the time factor is becoming a matter of political quality for the left.

[Question] Is that the knot to be untied in the Communist issue...

[Answer] Certainly. There is the Communist anomaly. The PCI is the only really strong communist party in the West, if we exclude the case, perhaps rather special, of the Portuguese party. However, precisely for this reason, there is a need to better understand the meaning of the "European choice." That it is not a question of "examinations" to make, nor a problem of the greater or lesser distance between the PCI positions and those of this or that element of the European left, which is furthermore not a homogeneous reality. What is the real truth then? The real truth is that the "European choice" sweeps away the concept of "Communist camp." Remember the old polemic of the Chinese Communists with the Soviet Communists. At that time, the Chinese maintained that there were the national realities and then the new, large world areas of international policy: the Soviet, the American, the nonaligned, and the European. However, it was no longer the "Communist camp." It seems to me that with the "European choice" the Italian communists objectively approach this concept; a concept that also brings down the theory of polycentrism, which was a variant, certainly rather less rigid, but not the elimination of the Communist camp idea.

This is a matter of a development favored by the new international circumstances. In fact, I am still convinced that if the breakaway by the Western communist parties from the USSR was important, the breakaway by the USSR from those parties would be decisive. Not as a death sentence, but as a recognition of a new relationship. It appears to me that Gorbachev's approach is in this direction. And it is from the end of the "Communist camp" that will emerge true autonomy of the communist-inspired parties. And this will definitely create a new political space.

[Question] Let us return to the Italian political system and in particular the relationships on the left. What are the problems and how might they develop?

[Answer] The PCI talks about reformism without reform. And that is alright. Let us say, however, that we have long been experiencing the combined effect of a reformism without reform, and a revolutionary expectation, also without reform. For a transformation regarded as impossible, either because they lacked the means, or because it was planned so far in the future as to become almost a dream. Here, of course, there has been the strong effect of the communist "diversity," which created a deep chasm between the present society and the future one. The combined effect of these two tendencies has caused minor mediation to prevail, and has enabled a progressive consolidation of the existing system, while the reasons for change were harbored in individual consciences without rising to the level of organized forces. Hence the lag, hence the entangling of diverse interests and also diverse ideals, hence the ever greater opaqueness of the relationship between the political system and society. Hence also why today it is necessary to start with identification of the major resolving issues and reconstruction of a new relationship among parties, movements and society.

However, such questions quickly recall other problems, starting with that of the structure of the parties...

[Question] On the left there has been a lot of discussion in recent years about the "light" party and the mass party.

[Answer] The necessary work of constant reforming decomposition and recomposition does not call for a light party, one that is emotional and election-oriented, concentrating on the daily challenge rather than the future prospect. But nor is the old mass party adequate for this policy, one with an adding machine vocation, and in which enrollment and participation were based on the feeling of belonging.

[Question] Someone talked also about the unitary party of the left, or rather of the issue of the relationship among parties of the left. What do you think about that?

[Answer] The concept of the unitary party conflicts with the histories, which are different, of the parties of the left, but above all it is in contradiction to evolution of the system of political participation. If the party channels are today inadequate, the one-party solution does not appear to me to be a solution. Thus, we should rather settle with a system of alliances and with the issue of political alliances. And then it becomes crucial, as I said, that there be clarity on the resolving issues. However, this is not enough. Because then there is posed, to various degrees and from time to time, the problem of the costs that will have to be paid to support to the end a resolving decision, in a context in which the reformist alignment will necessarily have differing degrees of intensity within itself in favor of a policy of change. What is then also needed is a continuing great intensity virtually throughout the reformist alignment. Since there is no rigidity in a reformist alignment, just as there is none in a moderate alignment, the intensity is the glue that can hold an alignment together.

As I said, all this requires time. It also requires a corresponding cultural evolution.

However, I am convinced that it has now been understood on the left that an entire phase has ended and that any prolongation of this phase harms the political system overall.

However, here a further question arises: when is the candidature for a political alignment leading the country finally ready? This condition is fulfilled, and I agree with Vacca on this, when those forces achieve the position of balancing point of national politics within a framework of international politics. In the past, the DC has represented this balance point. Its mistake has been to think that this could be extended to apply also for all the other political forces. Nevertheless, one must consider that that balance point reflected a given situation, and today appears outdated: today we are clearly in a phase of evolution.

[Question] Let us come finally to the current political situation. From all you say, it is obvious that a quality jump with respect to the five-party setup is necessary, as well as to the logic itself that supports it.

[Answer] I believe that both the DC and the PCI for convenience assigned to the five-party setup a strategic value which the facts do not justify. It did not have such a strategic value for one obvious reason: it is parties and not governments that have strategic prospects. Governments can be supported by more or less lasting political conditions, but they are always targeted to management of the present, and they represent a balance pooint relative to the overall system.

[Question] Yet governments derive legitimacy from the convergence of the various strategies of the parties...

[Answer] From the convenience of the parties. A government policy can assume strategic value when there is a party with an absolute majority. However, it is a contradiction in terms, a grammatical error, to think that coalition governments can have strategic value. And it is an error in both grammar and syntax to think that that is possible for coalition governments in proportional electoral systems. The strength of the five-party setup is something else. It is a strengh proportional to the duration of the current phase of transition of the political system. If we do not get the political system in motion we will prolong the transition phase. However, if the forces interested in the change will stir, then the game will resume.

Focus on West Europe

Rome RINASCITA in Italian 3 May 86 p 7

[Article by Heinz Timmerman of the Federal Institute of Studies on Eastern International Relations and Countries, in Colonia]

[Text] The Italian Communist Party regards itself as an integral part of the European left--and this, beyond the discussions of foreign policy strategy, was certainly the central theme of the 17th Congress--for two reasons that are in my view closely interconnected. As for its relations with abroad, this affirmation reveals the PCI's intention to concentrate on Western Europe and the European Community more than it has done in the past, that is, an intention to cooperate more with the forces that have set as their target the "self-affirmation of Europe," understood as greater political autonomy within the Atlantic Alliance and transformation of the Community in a progressive social realm. Hence the differentiated attitude toward the United States (the fact that the PCI considers it as the main partner of the Alliance in the West) seems to me worthy of note, just as is worthy of note the PCI's desire to remove the ideological character from its relations with the Soviet Union by classing them in "political categories."

I regard this "lay" vision of the Soviet Union as an important premise for a common line of the West European lefts--a line that within the Atlantic Alliance seeks to understand what are Gorbachev's new postulates in foreign affairs and to discover, for example, whether Moscow is showing today a greater sensitivity in regard to the security of Western Europe than was shown during Brezhnev's time. This in turn could give a start to an East-West dialectic and create scope for action also in Western Europe. One aspect, yet one which the Congress passed over too quickly. The detente policy of the West European left cannot abandon a reformist policy conducted jointly by socialism and democracy. Without it, the "Europeanization of Europe" (Willy Brandt), long desired, will remain unaccomplished.

A closer cooperation within the left, aimed at strengthening the internal structures of the European Community and the structures of its self-affirmation toward the outside, presupposes that this left obeys equal and analogous principles, values and motivations, despite the differences deriving from the different political heritages and the specific national situations--as is the case with the socialist and social-democratic parties of West Europe. To this end, there is great significance in both the developments for the future approved by the Florence Congress and the fact that the PCI has defined itself as a modern reformist party. Above all, because the PCI has gone beyond the concept of political "diversity" and has drawn conclusions from the fact that both itself and the society around it are constituted in a complex way and are distinguished by a pluralism of ideas and culture.

I feel that the following are characteristic (to mention in this initial quick analysis only the most important): the orientation toward basic values such as freedom, justice and solidarity, that is the surmounting of rank and file "monism" in commitment to socialism in favor of a rank and file "pluralism"; the strategy of gradualism in program that looks to a progressive transformation of society; and finally the fact that the controversial discussion of the political options and options on formation of majority and minority are not only tolerated but regarded as definitely stimulating for decisions on the new problems. All this certainly shows adherence to the traditions, aspirations and motivations of international social democracy (including the German) expressed in the Godesberg program. The PCI in particular keeps an eye on the German Social Democratic Party because the two parties resemble each other: they are both mass parties, which were born and have grown historically with large social participation, and which--unlike the "new" French, Spanish and Greek socialist parties--are closely linked with the unions and owe their strength also to their solid anchorage in local bodies and their pragmatic support of the latter. It is clear that the points of contact derive from the dualism (typical of the German Social Democratic Party, that is, of a force that has a program aimed at achieving democratic socialism), as a result of which it presents itself at the national and regional level as a party of coalition, reformist, open in a permanent way to dialogue and compromise, and, at the same time, as a governing party.

On the other hand, Godesberg only established basic values and orientations, from which the German Social Democratic Party is inspired to find new answers to new problems: those of the socialist state, bureaucratism and centralism, economic growth, the conflict between economy and ecology, the "austerity" policy, the role of Europe and organization of the peace. Exchange of opinion and experience among the social democrats in Europe is increasing independent of the fact that the German Social Democratic Party is the prototype of social democracy and the French Socialist Party is the prototype of the parties that continue to reject a "social democracy."

From this viewpoint, the reformist orientation has turned to the Europe of the PCI, which the Florence congress emphasized to be very important both for the policy and character of the party and for the entire social-democratic left of Western Europe. It remains to wonder whether the PCI--in view of the varying opinions on economic policy, social policy and security policy that prevail in it--will have the strength (or even the capability) to translate this general orientation into practice. This is an aspect of the issue on which the Florence Congress, while stressing laicization of the models of behavior and action, provided little clarification.

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WAGE CONFLICT SEEN BEHIND POLL GAINS BY LABOR PARTY

Conservative Voters Defecting Leftward

Oslo ARBEIDERBLADET in Norwegian 19 Apr 86 p 9

[Article by Alf Hildrum]

[Text] The Labor Party received a support of 46 percent during the wage conflict, and 27.7 percent answered that they would vote for the Conservative Party if an election were to take place.

A total of 27.6 percent of the Conservative voters from the parliamentary elections last fall have left their party. The Conservative Party is losing voters both to the 'No Opinion' group and to the Labor Party. The Labor Party, moreover, is mobilizing voters who did not go to the polls last fall.

This appears from an opinion poll taken by Opinion A/S [Public Opinion Institute, Inc.: POI] in Bergen for ARBEIDERBLADET while the big labor conflict was in progress. A total of 744 persons were interviewed by telephone during the period of 8-10 April.

POI has computed the relationship between the views of the voters on the low-wage issue in the labor conflict and their choice of party. The conclusion of POI is that the position of the trade union movement on the low-wage issue has strengthened the Labor Party in relation to the Conservative Party.

ARBEIDERBLADET today also publishes the monthly opinion poll taken by Norges Markedsdata [NMD]. The poll was taken during the period from 15 March to 10 April. The trend of this poll is the same as that of the poll taken by POI. The Labor Party got 42.6 percent of the vote, the highest percentage since January 1978. The Conservative Party got 30.2 percent, a setback of 1.4 percentage points from the February poll. The reason for the larger changes in the poll taken by POI is probably that the POI poll was taken exclusively during the labor conflict.

Confirmed

The background figures of POI support this evaluation. They show that many of the Conservative voters have become uncertain. A total of 27.6 percent of the party's voters from the parliamentary elections state that they do not intend to vote for the Conservative Party now. But POI has also asked them whether the Federation of Trade Unions was right in not giving in to the demand to weaken the low-wage arrangement. And within the group of Conservative voters who support the position of the Federation of Trade Unions, the defection is larger. Here, 38 percent will no longer vote for the Conservative Party. A total of 12.7 percent of these voters state that they will vote for the Labor Party, while 22.5 percent has defected to the 'No Opinion' group. The remainder has defected to other parties. The defection is considerably smaller among Conservative voters who disagree with the Federation of Trade Unions, viz. 22.8 percent. Within this group, the party loses 2.1 percent to the Labor Party and 16.6 percent to the 'No Opinion' group.

Labor Party

The poll shows that, in general, and irrespective of people's position on the wage conflict, the Labor Party is doing better than the Conservative Party at present. The party is better able to hold on to its voters from the last election than the Conservative Party. It gains 5.5 percent of the Conservative voters while the Conservative Party only gains 1.7 percent of the voters of the Labor Party. And it mobilizes 14.6 percent of those who did not go to the polls during the parliamentary elections. A total of 6.5 percent of the voters who did not go to the polls during the parliamentary elections state that they will now vote for the Conservative Party.

But it, moreover, looks as if the labor conflict has strengthened the support of the Labor Party. While the party, on the average, is supported by 14.6 percent of the non-voters, 21.7 percent of the non-voters who support the position taken by the Federation of Trade Unions on the low-wage issue state that they would vote for the Labor Party. And, in addition, it is thus primarily voters who support the position taken by the Federation of Trade Unions who have left the Conservative Party to join the Labor Party.

Long-Term Effect

The poll seems to confirm that the labor conflict also assumed a clearly political dimension. Other sections of the poll taken by POI show that many voters were of the opinion that the government supported the Employers' Confederation and that the Employers' Confederation and the government were primarily to blame for the conflict. This causes the Conservative Party to lose votes, while the major Opposition party reaps the benefits from people's displeasure with the conflict.

It is, of course, not possible to say for certain whether this poll is merely a reflection in the extreme of a particularly dramatic situation or whether the events during the labor conflict will have lasting effects. Only the trend of the polls during the coming months will show this. We know that other dramatic events have had long-term effects. The EC conflict is the most typical instance. There is no basis for believing that a short-term labor conflict will have such effects. On the other hand, the possibility that the conflict within the society which we witnessed in early April may cause some people to reevaluate their political standpoints, cannot be ruled out. The party strategists will therefore probably be particularly anxious to learn the results of the polls to be taken in the coming months.

Highest Figures in 8 Years

The Labor Party scored its highest polling figures in 8 years. The Conservative Party lost 1.4 percentage points. The figures of the Labor Party and the Socialist-Left Party alone were larger than those of the coalition parties and the Progressive Party.

These are the main points of the monthly opinion poll taken by NMD, which appeared at the very time that the Conservative Party was holding its national congress.

The polling took place during the period from 15 March to 10 April, thus primarily prior to the big conflict in the labor market.

These are the figures for each individual party (adjustments for changes which have occurred since the parliamentary elections in parentheses):

Socialist-Left Party 6.1 (up 0.7)
Labor Party 42.6 (up 0.4)
Center Party 5.7 (unchanged)
Christian People's Party 8.0 (up 0.1)
Conservative Party 30.2 (down 1.4)
Progressive Party 3.5 (up 0.4)
Liberal Party 2.5 (unchanged)
Liberal People's Party 0.4 (up 0.1)
Red Election Alliance 0.4 (down 0.3)
Communist Party 0.3 (down 0.2)
Others 0.4 (up 0.2)

Affecting Election Debate

"I believe that everybody will be looking askance at the polling figures when discussing the new electoral system."

The above statement was made by the secretary of the Labor Party, Ivar Leveraas, in conjunction with the party's record-high result of 46 percent in the poll taken by POI for ARBEIDERBLADET. He makes the reservation that the poll is not part of a regular monthly poll but is nevertheless not surprised at the trend:

"A connection between the dramatic labor conflict caused by the Confederation of Employers' provocative lockout and the support given to the various parties would not be abnormal. It is likely that the Labor Party has gained and the Conservative Party has lost support as a result of this. The reaction to the question of the low-wage guarantee showed a similar trend."

Leveraas finds it most gratifying that most people react when somebody tries to make the difference in the society greater:

"This reaction is particularly important for a party with our basic viewpoint."

He also points to the poll taken by NMD, saying that the Labor Party is gaining ground in the polls, whereas the Conservative Party is experiencing the opposite trend.

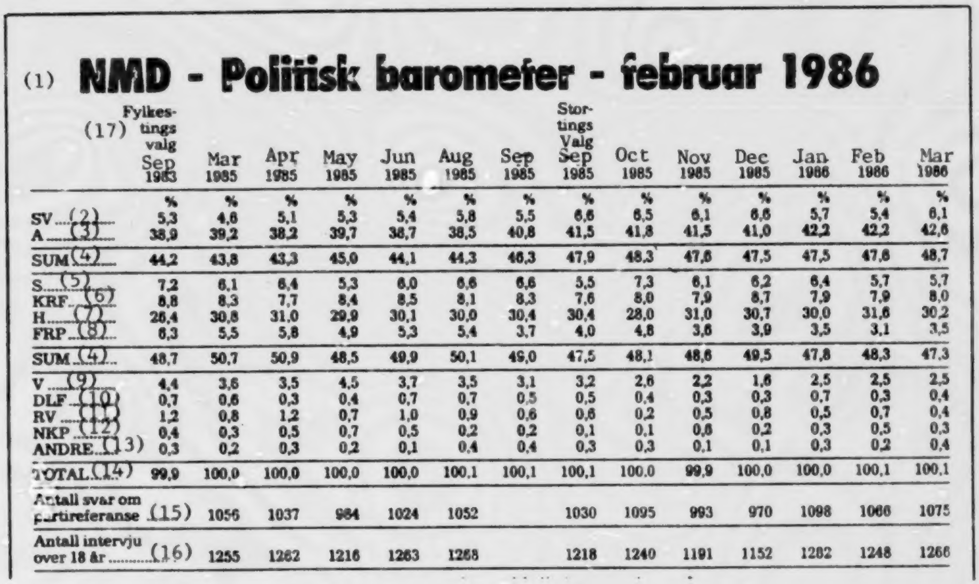
"This is an important stimulus to the entire party prior to the local elections in 1987 and the parliamentary elections in 1989."

"Will the record-high polling figures mean that the Labor Party anew will aim at a clear majority?"

"That will, invariably, be our ambition. But this poll shows that we really have good possibilities of achieving it."

"Will the polling figures affect the work that is now in progress within the party committee on the electoral system?"

"I am myself not a member of that committee. But it is my impression that everybody will be looking askance at the polling figures when discussing various electoral systems," Ivar Leveraas says.



(1) NMD - Politisk barometer - februar 1986

	(17) Fylkes-tings valg Sep 1983	Mar 1985	Apr 1985	May 1985	Jun 1985	Aug 1985	Sep 1985	Stor-tings Valg Sep 1985	Oct 1985	Nov 1985	Dec 1985	Jan 1986	Feb 1986	Mar 1986
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
SV (2)	5,3	4,6	5,1	5,3	5,4	5,8	5,5	6,6	6,5	6,1	6,6	5,7	5,4	6,1
A (3)	38,9	39,2	38,2	39,7	38,7	38,5	40,8	41,5	41,8	41,5	41,0	42,2	42,2	42,6
SUM (4)	44,2	43,8	43,3	45,0	44,1	44,3	46,3	47,9	48,3	47,6	47,5	47,5	47,6	48,7
S (5)	7,2	6,1	6,4	5,3	6,0	6,6	6,6	5,5	7,3	6,1	6,2	6,4	5,7	5,7
KRF (6)	8,8	8,3	7,7	8,4	8,5	8,1	8,3	7,6	8,0	7,9	8,7	7,9	7,9	8,0
H (7)	26,4	30,8	31,0	29,9	30,1	30,0	30,4	30,4	28,0	31,0	30,7	30,0	31,6	30,2
FRP (8)	6,3	5,5	5,8	4,9	5,3	5,4	3,7	4,0	4,8	3,6	3,9	3,5	3,1	3,5
SUM (4)	48,7	50,7	50,9	48,5	49,9	50,1	49,0	47,5	48,1	48,6	49,5	47,8	48,3	47,3
V (9)	4,4	3,6	3,5	4,5	3,7	3,5	3,1	3,2	2,6	2,2	1,6	2,5	2,5	2,5
DLF (10)	0,7	0,6	0,3	0,4	0,7	0,7	0,5	0,5	0,4	0,3	0,3	0,7	0,3	0,4
RV (11)	1,2	0,8	1,2	0,7	1,0	0,9	0,6	0,6	0,2	0,5	0,8	0,5	0,7	0,4
NKP (12)	0,4	0,3	0,5	0,7	0,5	0,2	0,2	0,1	0,1	0,6	0,2	0,3	0,5	0,3
ANDRE (13)	0,3	0,2	0,3	0,2	0,1	0,4	0,4	0,3	0,3	0,1	0,1	0,3	0,2	0,4
TOTAL (14)	99,9	100,0	100,0	100,0	100,0	100,1	100,1	100,1	100.0	99,9	100,0	100,0	100,1	100,1
Antall svar om partireferanse (15)		1056	1037	984	1024	1052		1030	1095	993	970	1098	1066	1075
Antall intervju over 18 år (16)		1255	1262	1216	1263	1268		1218	1240	1191	1152	1282	1248	1266

The poll adjusts for the changes which have occurred since the parliamentary elections.

Computed statistical margins of error may be of the order of up to 3 percentage points for close to 50 percent of the total number of votes.

Approximately 2 percentage points for 10-20 percent of the total number of votes and down to 1 percentage point for lower shares in the total number of votes.

The poll was taken during the period from 15 March to 15 April 1986.

NORWEGIAN MARKET DATA [NMD]

Key:

1. NMD--Poll--February 1986
2. Socialist-Left Party
3. Labor Party
4. Total
5. Social Democratic Party
6. Christian People's Party
7. Conservative Party
8. Progressive Party
9. Liberal Party
10. Liberal People's Party
11. Radical Liberal Party
12. Communist Party
13. Others
14. Total
15. Number of answers to party preference
16. Number of interviews with persons above the age of 18
17. County Board elections
18. Parliamentary elections

Gallup Poll Confirms Trend

Oslo AFTENPOSTEN in Norwegian 2 May 86 p 3

[Text] Two days prior to the government crisis, Gallup/NOI [The Norwegian Gallup Institute: NGI] completed a political poll for AFTENPOSTEN.

The poll shows gains for the Labor Party and a clear setback for the Conservative Party, advances for the Socialist-Left Party and the Liberal People's Party. The socialist parliamentary parties account together for upwards of 50 percent of the vote.

The poll thus does not reflect any effects of the dramatic events during the last few days, involving the debate on the measures of restraint and the Willoch government's cabinet problems, which culminated in the fall of the Willoch government last Tuesday night.

The concrete figures of the poll, which was taken during the period 12-27 April, show a setback of 2.1 percent for the Conservative Party, while the two other government parties have stable support.

THE NORWEGIAN GALLUP INSTITUTE/AFTENPOSTEN

	(16) Stortingsvalget 1981 %	May %	Jun %	Aug %	(16) Stortingsvalget 1985 %	Sep %	Oct %	Nov %	Dec %	1986 Jan %	Feb %	Mar %	Apr %
Ap. (1)	37.1	38.9	37.6	37.3	40.8	41.6	41.9	42.6	43.0	41.0	42.2	43.3	43.9
DLF (2)	0.6	0.1	0.3	0.6	0.5	0.6	0.5	0.0	0.3	0.4	0.8	0.1	0.7
Fr.p. (3)	4.5	4.0	3.3	4.1	3.7	4.5	4.1	3.1	3.1	3.5	3.5	3.1	3.3
H (4)	31.8	31.9	33.5	32.8	30.4	29.0	29.8	31.1	30.2	30.4	30.2	30.9	28.8
Kr.F. (5)	9.3	8.7	8.7	8.9	8.3	7.4	7.6	7.5	7.8	9.5	8.0	7.2	7.3
NKP (6)	0.3	0.1	0.3	0.3	0.2	0.2	0.1	0.0	0.1	0.4	0.2	0.3	0.1
RV (7)	0.7	0.9	0.5	1.3	0.6	0.6	0.7	0.7	0.6	0.3	0.6	0.6	0.6
Sp. (8)	6.6	6.5	5.8	5.8	6.6	6.2	6.8	6.5	5.8	4.8	5.7	6.0	5.8
SV (9)	5.0	5.2	5.9	5.7	5.5	6.3	5.8	5.7	5.7	6.4	5.9	5.7	6.6
V (10)	3.9	3.3	3.7	2.9	3.1	3.3	2.7	2.5	2.7	2.2	2.3	2.2	2.5
Andre (11)	0.2	0.3	0.5	0.3	0.4	0.4	0.0	0.4	0.6	1.1	0.6	0.6	0.4
Sum (12)	100,1	99,9	100,1	100,0	100,1	100,1	100,0	100,1	99,9	100,0	100,0	100,0	100,0
Ap + SV (13)	42.1	44.1	43.5	43.0	46.3	47.9	47.7	48.3	48.7	47.4	48.1	49.0	50.5
H + Kr.F. + Sp. (14)	47.7	47.1	48.0	47.5	45.3	42.6	44.2	45.1	43.8	44.7	43.9	44.1	41.9
H + Kr.f. + Sp. + Fr.p. (15)	52.2	51.1	51.3	51.6	51.3	51.6	49.0	47.1	48.3	48.2	46.9	48.2	47.4
47.2	45.2												

The figures indicate the number of people who would vote if a parliamentary election were to take place tomorrow, of those who would be absolutely certain to vote. The question was also asked which party they would vote for in a parliamentary election in 1985. The difference between the support of the individual parties on this question and the actual election result in 1985 has been used as a weighting factor.

The poll was taken during the period 12-27 April 1986.

Key:

1. Labor Party
2. Liberal People's Party
3. Progressive Party
4. Conservative Party
5. Christian People's Party
6. Communist Party
7. Radical Liberal Party
8. Center Party
9. Socialist-Left Party
10. Liberal Party
11. Other parties
12. Total
13. Labor Party + Socialist-Left Party
14. Conservative Party + Christian People's Party + Center Party
15. Conservative Party + Christian People's Party + Center Party + Progressive Party
16. Parliamentary Elections

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CSO: 3639/107

LABOR PARTY, CONSERVATIVE PAPERS ON OIL PRICE DROP EFFECTS

Labor Organ Cites Problems

Oslo ARBEIDERBLADET in Norwegian 20 Mar 86 p 4

[Editorial: "Rescue Operation"]

[Text] The government's irresponsible economic policy, which includes a tremendous increase in loans and the growth of private consumption, has created big problems for the Norwegian economy. In particular, the ability to compete with our most important trading partners is becoming weaker and weaker. If we are to avoid falling "off the edge of the cliff," to use Prime Minister Willoch's words, the government must now resort to countermeasures.

We believe there is every reason to draw attention to this background for the government's so-called Easter package with its retrenchment measures. It is true that the drop in oil prices has made the situation even more difficult, but it is the government's own economic policy which lies at the heart of the problems that have arisen. When Prime Minister Kare Willoch stands up and calls on all the parties to cooperate in order to straighten out the Norwegian economy, it is in reality a cry for assistance in solving problems which his own government has created.

We regard it as quite natural that the Labor Party, as a responsible party, is willing to negotiate with the government parties to find a useful way out of these difficulties. The Easter package from Finance Minister Rolf Presthus must then be viewed as a starting point for such negotiations. If the Labor Party is to participate in the economic rescue operation, the party wants to have a say in the content and quantity of the measures.

Labor Party spokesmen for financial policy have already made it crystal-clear that the Easter package cannot be approved the way it is. The measures taken must be somewhat more comprehensive. Here the Labor Party can point to the series of proposals which the party's parliamentary group has recently put forward to counter the so-called speculation economy. If the government parties go along with these measures, the national budget will be increased by roughly 1 billion kroner all told.

It is our unqualified view that in the economic initiative taken last week by the government and the Labor Party there lie opportunities for finding a broad, unifying solution. Whether it will succeed remains to be seen. It is obvious that the whole thing will stand or fall with the capacity and desire of the Conservative Party--and especially Prime Minister Willoch--for constructive teamwork with that segment of the opposition, such as the Progress Party, which does not define itself as part of the government foundation.

The group leaders of both middle parties, Johan Buttedahl (Center Party) and Harald Synnes (Christian People's Party), have stated that they wish to negotiate with the Labor Party on an economic package. They have also publicly admitted that there is much which they can support in the Labor Party's proposals for measures against speculation in the Norwegian economy. At the same time, it is quite apparent that both Synnes and Buttedahl place great emphasis on keeping Carl I. Hagen and his party as far away as possible.

As a point of departure, in other words, things look promising for a sensible arrangement of retrenchment measures which can gather broad support, at the same time as Buttedahl and Synnes manage to keep Carl I. Hagen out of "good society." There is, however, a "but" in this matter. Synnes and Buttedahl are expressing themselves in roughly the same way they did last autumn during the budget talks. And those ended, as everyone knows, in negotiations and collaboration with Carl I. Hagen. Because the Conservative Party wanted it that way. So we will see if history repeats itself.

Oil Crisis Hides Mistakes

Oslo ARBEIDERBLADET in Norwegian 21 Mar 86 p 4

[Editorial: "Falling Behind"]

[Text] If one disregards the direct impact on the Norwegian economy, then the government actually has reason to be grateful to OPEC. The drop in oil prices and in Norwegian oil revenue came at a fairly opportune moment. For the government it has been an ace in the hole which is exploited to the maximum in order to shirk responsibility and divert attention from an economic policy that has failed for 4 years.

No one knows today how great an effect the reduced oil prices will have on the Norwegian economy. Nor can anyone reliably judge how long the oil revenue will remain at a reduced level. But it is quite clear that the oil price drop has become a considerably graver problem for the everyday Norwegian economy because the government's economic policy has been a fiasco.

That segment of Norway, Inc, which should be our security anchor during a time of lost oil revenue and which must once again gradually resume the role of economic girder for commercial activity in mainland Norway when the oil sources vanish is in very poor condition.

Norway is losing shares of the market both at home and abroad. Marketing statistics from the Central Statistical Bureau show that Norwegian export commodities have lost in competition with others and that the Norwegian share of industrial goods on the export market dropped from an index of 100 in 1981 to 77 in 1985. A similar development has occurred for Norwegian goods on the domestic market. In our own stores and in Norwegian commercial activity in general, Norwegian manufacturers are losing in competition with imported articles.

Norwegian manufacturers have experienced a sharp decline, so to speak, in all the commodity groups which are included in the statistics for export market trends. There is just one exception, chemical fertilizer, which is at the same level as in 1981. Some commodity groups--machines, for example--have lost nearly half their share of the market after 4 years of Willoch's "growth policy."

In such a situation there is a howling need for action regardless of whether oil prices go up or down. This is the challenge to which the Labor Party again responds with its "emergency package" of measures for trade and industry. The Labor Party submits proposals for an all-out effort in three areas: education, research and development, and internationalization. It is almost impossible to overemphasize how essential such an all-out effort has now become. The large fluctuations in oil income make it even more imperative to reinforce the foundation for the growth of Norwegian trade and industry. There is only one path to follow if we are to escape from the negative spiral which statistics on market trends outline, and that is to begin the buildup of knowledge as soon as possible, to reequip institutes of research and education, and to bring about the development and switchover which have become absolutely necessary. This holds true not only for the economic foundation of Norway's future but also for the preservation of jobs.

The Labor Party's package of measures will cost 425 million kroner. We hope the government will spare us the usual trite phrases about our being unable to afford it. In educational and research circles, despair is spreading over budgets reduced to a minimum, and the results--both on the export market and here at home--tell their own story about industrial and commercial life which is falling steadily behind. The costliest thing would be to do nothing.

Willoch: Unemployment Danger Appearing

Oslo AFTENPOSTEN in Norwegian 22 Mar 86 p 3

[Article by Lars Hellberg: "Willoch Calls for Moderation; Real Danger for Mass Unemployment"; first paragraph is boldfaced lead-in in original]

[Text] "If we don't do something jointly in time to prevent an additional strain on the Norwegian economy after the oil price drop, we will later be forced--no matter who is then in charge--to adopt retrenchment measures which will inevitably lead to mass unemployment," points out Prime Minister Kare Willoch in a conversation with AFTENPOSTEN. If we become overindebted to foreign countries, we will eventually lose our freedom to act economically, he emphasizes.

The prime minister's formula for how--despite the dramatic decline in oil revenue--we can avoid reaping the sad experiences other countries have reaped before us looks like this in broad outline:

--The natural thing for the Norwegian people must be to consume a little less and work a little more, not work less in any case.

--We will all be losers in a dog-eat-dog battle for shares of the economy. It is more important than ever before that everyone contribute to protecting the economy from the dangers of overstrain and collapse.

--Satisfaction with large wage increases will in any event be very short-lived. The benefit that results if people are content with small wage increases will last a long time.

AFTENPOSTEN: "There are those who believe that our problems are self-inflicted. Gunnar Berge, the Labor Party's chief spokesman on financial matters, said the other day that Finance Minister Rolf Presthus ought to have his driver's license taken away for speeding."

The Alternative

"The alternative is to turn the wheel over to Berge, who so far has done nothing but sit in the passenger seat and yell 'faster, faster.' When no one was looking, he himself has seen fit to step on the gas pedal. We have never disclaimed responsibility for our own acts, but the Labor Party is offended when we remind it of the consequences of its proposals for more and more outlays.

"The way society has evolved, it has been impossible to place more stringent limits on private loans without incurring higher interest rates. But the Labor Party and several others have gone in for lower interest rates. Practically speaking, in other words, the opposition has made demands that would lead to even more loans, but it nevertheless complains that too much money is being loaned," says Willoch, shaking his head.

"Opts Out"

Now he looks forward to spending the Easter holidays with his family and friends. After "laying the Easter egg," he needs to get away from the world of everyday politics. But he does not want to say whether he is going out of town or where the trip might possibly take him. Willoch does not offer the interviewer a juicy sidebar to top off a serious interview.

On the other hand, he feels an urgent need to discuss the disaster which is about to befall Norway, to borrow a phrase from Presthus. Willoch points out that after the oil price drop it is not at all unrealistic to expect a foreign trade deficit of 30 billion kroner during the current year and 45 billion as early as next year. (Just last year there was a surplus of roughly 30 billion kroner.)

"All we want to do is protect ordinary people from such disasters by hitting the breaks in time," says Willoch. He does not hesitate to characterize the demands for a higher living standard and shorter working hours as demands for "greater speed in the direction of an economic crisis."

Dangerous to Society

AFTENPOSTEN: "Yet there are those who claim that the drop in oil revenue has little to do with the wage-scale settlement insofar as the drop does not affect the enterprises' capacity to pay wages."

"That is a conclusion which is dangerous to society and erroneous. Today it is essential for us to increase the export of everything except oil, and it is vital that we reduce imports. To bring this about, we must make Norwegian goods more competitive.

"With regard to what government employees want for wages, I can merely state that the dramatic decline in oil revenue has reduced the employer's capacity to pay, to put it prudently," stresses the prime minister.

Concerned

But he is concerned about the fact that in terms of wages certain groups in the machinery of government lag behind corresponding groups in private industry. It is easy to see that an upward adjustment is needed for certain groups.

"The overwhelming problem is, however, that practically everyone wants the same upward adjustment as those who might get something extra so that the State will be able to compete for specialists who are in short supply. And giving much more to everyone is a formula for the destruction of our economy," says the prime minister.

AFTENPOSTEN: "Do you have any hope of being heard by the parties in the labor market when you emphasize 'the long-lasting benefit from small wage increases'?"

"People in general are individually aware of these interconnections, even though most of them have an understandable desire to strengthen their position in relation to others. However, the main problem is tied in with the organizations, which are big, powerful, and cumbersome creatures it takes a long time to change."

The prime minister wholeheartedly agrees that the belt-tightening measures the government introduced last Friday are modest. He emphasizes that care was taken "not to provoke" the parties which are in the thick of wage negotiations.

New Measures

"It would be wrong for me to deny that the government may be forced to suggest further measures to restrict consumption and thereby limit the increase in Norway's foreign debt," he continues. "We must also reduce the demand-pull because it in turn creates wage-drift which threatens jobs," he stresses.

AFTENPOSTEN: "What is the teamwork situation like in the government? The Center Party has recently directed some searing criticism at the coalition government's regional development policy."

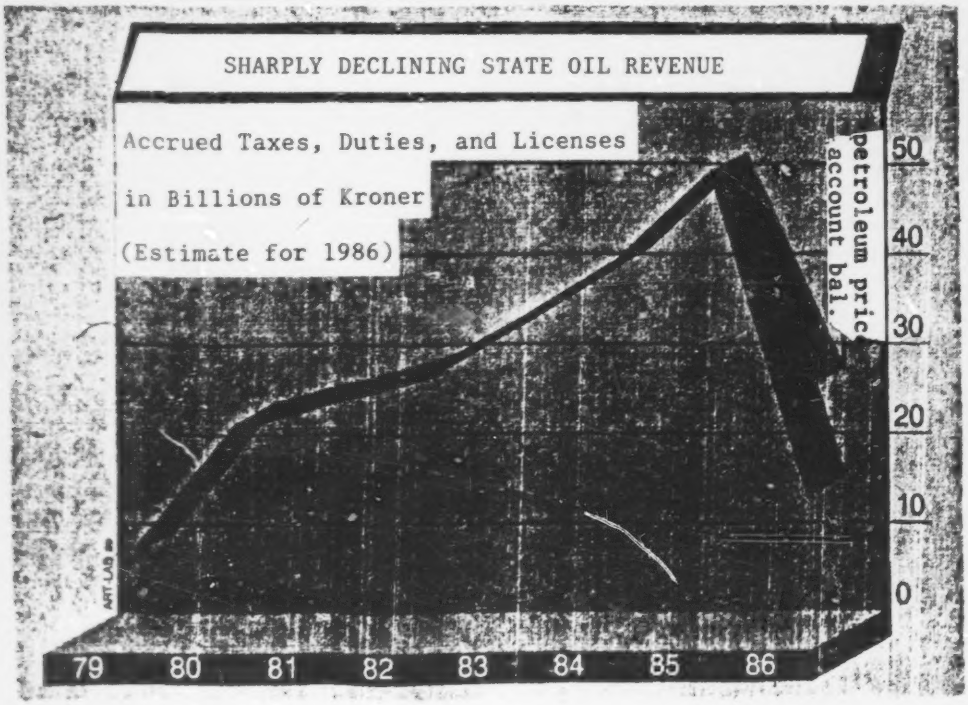
"The teamwork situation in the government collegium is excellent. But I must be allowed to say that the criticism--from some quarters--of the government's joint regional development policy is highly unfair, and it shouldn't have come from a government party. More effort has been put into regional development measures than ever before. But we also encounter new centralizing forces. The declining number of births and the positive changes in women's demands for job opportunities create new challenges for regional development policy. It is ridiculous to blame cabinet minister Arne Rettedahl for these changes in the situation," observes Willoch.

Elementary Principle

For him, moreover, it is one of the elementary principles of economics that too much government spending creates a demand-pull which is largely directed toward goods and services from the central regions and produces pressure there.

"When we talked about using oil money, there were many who were concerned about the centralizing effect. But this point applies to the consumption of too much money in a broad sense."

AFTENPOSTEN: "The Center Party, for its part, believes that this centralizing effect can be counteracted by calling a halt to new government appointments and activity in the Oslo area, and by making better use of the Town and Country Planning Act against private initiative."



"I don't think that a no to an initiative in one place results in the emergence of the same initiative in another place. That isn't the way people react. The government has therefore concentrated on positive measures in those regions where economic conditions are poorest," says the prime minister.

Not Easy

Without addressing the issue specifically, he emphasizes that every time the spokesman for a government party attacks the government, it weakens the latter's position and strengthens the Labor Party. It is not easy to get people to understand that the criticism which comes from our own ranks is unjustified, he says cautiously.

"We will not refuse to talk with anyone about measures to reduce pressure on the economy. Let there be no doubt about our wish to cooperate, even with the Labor Party," he says in response to the desire expressed by Center Party parliamentary leader Johan Buttedahl for the search to a solution in cooperation with the leading opposition party.

Elements of Risk

"But we must be aware of the elements of risk," he adds. "We cannot go along with any letup in the modest retrenchment which has been proposed." According to other sources, he long ago reminded his government partners that the coalition wanted to cooperate with the Labor Party last autumn but that did not prevent the opposition from doing its utmost to push expenditures sky-high and weaken the budget balance.

At the same time, he issues a strong warning against the Labor Party's proposal to obtain taxes from the stock market. "That would be tantamount," believes the prime minister, "to the State's seizure of part of the capital the commercial and industrial sphere needs more than ever before. Besides, rat poison for the stock market is one of the expressions used when people in government circles propose a sales tax on stocks."

Critical

With respect to the government's Easter egg, he has obviously come to the conclusion that there is hope a majority will back the proposed measures. There is no doubt that the drop in oil revenue is so tremendous that even the large reserves which were built up after 1981 will quickly vanish. "Even if the price of oil rose again to $20 a barrel, the situation would be critical. We continue to have economic freedom of action, but we must use it to adapt to a new reality and to assure new progress," points out the prime minister in his Easter greeting to the Norwegian people.

Consequences for Economy Examined

Oslo AFTENPOSTEN in Norwegian 2 Apr 86 p 31

[Article by Cecilie Norland: "Norway Must Tighten Its Belt: Oil Revenue Will Be Cut in Half"; first paragraph is boldfaced lead-in in original]

[Text] The decline in the price of oil has major consequences for the Norwegian economy. The Finance Ministry estimates that an oil price of 65 kroner per barrel, which is somewhat lower than today's price of roughly 70 kroner per barrel, will reduce Norway's revenue from oil and gas exports to 44 billion kroner in 1986 and 30 billion in 1987. The revenue was 88 billion kroner in 1985.

With an oil price of 65 kroner per barrel, Norway's balance of trade with foreign countries will show a deficit of 35 billion in 1986 and a deficit of more than 50 billion in 1987. This is a dramatic decline from last year's surplus of 25 billion. Taxes paid from oil activity will sink to 32 billion this year and just 7 billion in 1987.

"Norway has not yet begun to adapt to a lower price of oil. The economic retrenchment measures in March were only adjustments which would have come irrespective and independent of the price of oil," says Hermod Skanland, director of the Central Bank. He feels we ought to take the lower oil price into account as soon as possible, but he believes there will be no significant measures taken before the 1987 national budget. The measures under consideration are changes in the tax system and capital-transfer arrangements, and the probability of a decline in real income is very great.

The Bank of Norway has previously pointed out that the price of oil should be 180 kroner per barrel if Norway is to avoid a trade deficit in 1986. A minority expects the price of oil to remain as low as $10 or approximately 70 kroner per barrel for a long time, but even if the price of a barrel of oil should rise again to $20 or approximately 150 kroner, Norway will still be faced with considerable problems. A continued decline or a stabilization at a low price means that the deficit problems in the national budget and the trade balance will be further compounded.

There is little doubt that measures will be taken to adjust the Norwegian economy to the consequences of a lower oil price. The government has warned of changes in the tax system and in the financing of social insurance for a long time. Future measures will be geared toward lessening domestic demand and improving competitive ability. There is scarcely any danger for increased unemployment in the short run, but it is not unlikely that we must adjust ourselves to a lower real income. With today's price of oil, Norway's real income will sink between 6 and 7.5 percent as a whole, and this will of necessity be important to the individual.

Oil Companies Cut Expenditures

Oslo AFTENPOSTEN in Norwegian 5 Apr 86 p 3

[Article by Flemming Dahl: "Oil Price Drop Affects Many: Oil Companies Must Economize"; first paragraph is boldfaced lead-in in original]

[Text] "Excuse me, sir, but are we still talking about four wheels?" The question was supposed to have been posed--in a jocular tone, to be sure--when an employee at the Stavanger division of an American oil company was told it was time to switch over to more moderately priced company cars.

A cutback in expenditures for cars is among the many probable results of the drop in oil prices. The drop is accompanied by a dramatic decrease in the revenue of oil companies, and the latter have reacted by honing the axe.

"It's possible that Volvos will be replaced by smaller Fords," says an official spokesman for the named oil company to AFTENPOSTEN.

Expenditures for cars count in the total picture but nevertheless represent just a small sum in the oil context. The big savings--and here it is a matter of billions of kroner in the course of a few months--are expected to occur by reducing the search for new oil fields, by postponing maintenance work at oil installations, and perhaps by putting off the planned expansion of oil fields.

But people in the oil business emphasize that lesser items of expenditure are also the object of critical evaluation. They talk about reduced amounts of money for sponsoring cultural and athletic events, about cuts in travel budgets, and about fewer advertisements of the type which tell newspaper readers how wonderful the oil companies are.

There may be fewer help-wanted ads as well. Several companies have called a more or less consistent halt to hiring--except for persons who must be hired so that important projects are not harmed.

One of the Norwegian companies, Saga Petroleum, has already decided to save a few hundred thousand kroner by canceling its plans for a booth at the international oil fair in Stavanger in August. "If we can't economize on a small scale, we won't manage to economize on a large scale either," says Vibjorn Madsen, a press spokesman for Saga.

An indication of the price drop is the fact that Gunnar Braten, information officer for American Mobil, will have no secretary for a couple of weeks. This is tied in with the fact that his previous secretary quit before her successor was ready to take over, but Braten says that in normal times he would not have hesitated to get some temporary help from an employment agency.

20-30 Percent

After the price of oil began to drop, a series of multinational companies quickly issued statements about large reductions--from 20 to 30 percent--in their global investment budgets. To what degree this will affect the subsidiaries in Norway is not clear to all concerned, but many expect to have a better idea in a few weeks.

The American subsidiary of American Esso was one of the very first to tighten its belt after the price drop: it decided to postpone indefinitely the construction of its 250-million-kroner headquarters in Oslo.

The Norwegian companies--led by Statoil, Norsk Hydro, and Saga Petroleum--say they need a few weeks before they can state specifically how much they will cut their budgets. But there is hardly any doubt that activity on the Norwegian continental shelf will be affected by substantial cuts.

There are also the ripple effects of reduced oil activity to contend with. Shipping companies expect fewer orders for drilling rigs and other service vessels--and less money for the orders they do get. Mooring buoys can be used frequently, and crews may be laid off.

Deterioration

Even before the price drop, the National Association of Engineering Workshops (MVL) saw that the planned expansion of oil and gas fields on Norway's continental shelf could not provide enough work for its member shipyards in the years after 1987, and the MVL now fears further deterioration.

Other businesses--whether they provide the oil platforms with tables and chairs, communications devices, or rescue equipment--also fear negative consequences of the price drop. "We are very concerned," says Lars Thomas Dyrhaug of the Federation of Norwegian Industries.

Airlines and hotels are among those who may notice reductions in the travel allowances of people in the oil business. Per Lofstedt, administrative director of the Hotell Atlantic, reports that a planned expansion of 160 rooms may be shelved in anticipation of the further trend in oil prices.

Despite the savings spree, it is difficult to find signs that the oil companies are approaching authentic tightfistedness. As an employee with a lot of paperwork at a comparatively large Norwegian company says: "We haven't been told we have to use both sides of the scribbling paper."

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SOVIET VIEWS ON SWEDISH NEUTRALITY ANALYZED

Bildt on 'Denisov' Article

[Op Ed Article by Carl Bildt: "Should Neutrality Be Expanded?"]

[Text] Our insight into the inner thought processes of Soviet decisionmakers is limited. But Soviet policy is hardly the mystery it sometimes appears to be.

Their logic is not the same as ours, but this does not mean that their policies are illogical, incomprehensible or irrational.

One way of finding out what the Soviets intend to do is to listen to what they have to say about it themselves.

In the December 1985 issue of the periodical of the important Imemo Institute, MEZHDUNARODNAYA ZHIZN there was a lengthy analysis of Soviet-Swedish relations.

The author was listed as a Mr Denisov. But there is reason to believe that this Mr Denisov is regarded as the Swedish equivalent of the man known as Mr Kommisarov in Finland. These signatures conceal authoritative spokesmen on Soviet policy.

Thus their writings should be read with some care.

Trade relations are given great importance, but not just any kind of trade relations.

It is striking how much emphasis Denisov gives to trade with Sweden when it involves breaking various western blockades and embargoes. This mainly occurs through historic allusions to Sweden's role just after the 1917 revolution and the "Russian credit" after World War II, but there are also concrete references to the 1975 agreement on the delivery of an "airplane control equipment for civilian aircraft." It was the KGB's abuse of this agreement and some very irresponsible Swedish citizens that caused great damage to Sweden.

While Denisov depicts relations up to the early 1980's as harmonious, his description of the years after that is less rosy. For then "influential forces were activated and began looking for and exaggerating nonexistent problems with the aim of putting the peace-loving policy of the Soviet Union in a bad light."

That was when the stepped-up Soviet submarine operations against Sweden began producing political and military reactions on our part.

This is primarily a question of "conservative-bourgeois" forces, but Denisov does not conceal a certain disenchantment with Social Democrats as well. He writes that the (Social Democratic) government did not follow up its various declarations on relations with the East with sufficient consistency and resolution.

But now Denisov feels that conditions are better. After the victory of "left-wing forces" in 1985 a "return to the broad and fruitful course of neighborly relations" is again possible--assuming, of course, that there is no more talk of submarine violations.

And in addition to trade, security and foreign policy issues are central. The Soviet Union's view of Sweden's neutrality policy has been a topic for debate in recent years. Against this background Denisov's view is interesting.

He writes that "in a situation where three out of five countries in northern Europe belong to the Atlantic alliance, Sweden's realistic and well-tested foreign policy course is one of the factors" contributing to stability in the region.

It is worth noting that it is only the foreign policy aspect of our neutrality line that is mentioned and that the assessment of this aspect is conditional. If Denmark and Norway left NATO or if their membership was watered down a bit more, it seems likely that adjustment demands on Sweden would be stepped up.

Denisov's article does not contain any open criticism of the defense policy aspect of our neutrality line--that would be quite unsuitable in a document aimed at improving the atmosphere before a visit from the prime minister. But in spite of this the policy is clearly visible behind his words.

In recent years Soviet lectures on Sweden's conduct have become increasingly common and increasingly obvious. In 1982 Georgiy Arbatov wanted an "activation" of our neutrality policy along the lines of the Finnish model. In 1984 Lev Voronkov published his pointers.

Denisov continues along the same lines and is now calling for a "broadening" of Sweden's neutrality policy via "further strengthening the fruitful cooperations between the Soviet Union and Sweden on international issues."

Words of praise for Sweden's arms control policies occur with annoying frequency, along with reminders that most of the initiatives Sweden has taken in recent years "point in the same direction as the efforts made by the Soviet Union and the other socialist countries."

But what is needed now in the foreign policy area is for Sweden to "further enhance its active and constructive attitude." And Swedish-Soviet relations must also be developed further under the influence of "political realism, taking long-range factors and mutual interests into account."

Thus Denisov's article is generally in line with various Soviet statements in recent years. Sweden must tone down defense and activate the aspects of its foreign policy that agree with the views of the Soviet Union--that is how our neutrality policy can be "broadened."

And it is part of the picture that Sweden should base its relations with the Soviet Union on "political realism"--an expression that is not very attractive when it is used by a superpower addressing a small neighboring country.

Premier Ryzhkov and Secretary General Gorbachev will probably not talk like this during their sessions with Ingvar Carlsson. They will express respect for Sweden's neutrality--without asking for it to be "broadened."

But these are the ideas that guide Soviet policy toward Sweden. And it is against this background that every single issue is weighed and analyzed.

A few years ago the Swedish debate was characterized by idyllic and unrealistic ideas about the Soviet Union and its policies. There was reason to talk of "flaws in the system." Today things are somewhat better.

More people realize that the Soviet Union has definite security interests in the Nordic region, that they have dominated Soviet policy, and that this calls for corresponding behavior on our part. Many people have noted that the outward Soviet expressions of respect for Sweden's policy conceal efforts to gradually shift it as far as possible in a direction more favorable to the Soviet Union.

Perhaps this will improve the chances for a strict, stable and clear-sighted policy toward the Soviet Union. Sweden has not had anything like this for a good many years.

We must protect our neutrality doctrine--and be on guard against all attempts to "broaden" it by toning down one of its components and playing up another. This involves a risk that it will gradually be eroded and lose its meaning.

PRAVDA Lauds Neutrality Policy

Stockholm DAGENS NYHETER in Swedish 19 Apr 86 p 8

[Commentary by DAGENS NYHETER correspondent Harald Hamrin]

[Text] Moscow--In the view of the Soviet Union Sweden's neutrality policy represents a "vital positive contribution" to the preservation of peace in Europe, according to a statement published in the party organ, PRAVDA, after Prime Minister Ingvar Carlsson's departure from Moscow following his 4-day visit here.

In the official Soviet statement--which is the Soviet substitute for the final joint communique Sweden traditionally refuses to issue--a detailed account is given of the Swedish-Soviet talks earlier this week. The statement places special emphasis on the international aspects of the talks, while paying very little attention to bilateral issues.

Naturally differences between the two sides were most apparent with regard to these purely Swedish-Soviet problems.

When it comes to such things as Sweden's demand to have its borders respected, negotiations on setting the economic zones in the Baltic Sea, so-called humanitarian issues (which in practiceeinvolve a number of unresolved reunion cases) and the Wallenberg case, Prime Minister Carlsson presented well-known Swedish standpoints forcefully, as already reported in DAGENS NYHETER.

That may be one reason why the Soviet statement says that the negotiations were conducted "in a businesslike atmosphere." Thus the talks were not described as "friendly" or "trusting"--but on the other hand they were not designated as "frank," a common diplomatic code word used to indicate that harsh words were exchanged.

After stating that both sides expressed the opinion that "reinforcing peace and security" in Europe in general has "positive significance" for the development of peaceful relations in northern Europe, the statement referred to Sweden's neutrality policy.

"The Soviet Union notes that the neutrality policy pursued by Sweden represents an important positive contribution to the strengthening of peace in Europe," according to the statement.

The precise wording on this point is often assigned great importance in this context. While in the past Sweden's neutrality policy was generally regarded as a "contribution to" or a "factor in" peaceful developments in northern Europe, this time the Soviets decided to call it an "important positive contribution."

It should also be noted that in referring to the Swedish prime minister's talk with Gorbachev on Tuesday the Soviet news agency TASS reported that the

Soviet party leader expressed his own and the Soviet Union's "unconditional" respect for Sweden's "traditional neutrality policy." Thus here too a stronger adjective was used than is normally the case.

Vain Search

On the other hand one can search in vain for a Soviet declaration of respect not only for Sweden's neutrality policy but also for "Sweden's territorial integrity"--a phrase used on several occasions during Prime Minister Carlsson's visit. The Soviets left this to press spokesman Vladimir Lomeiko to say at a press conference on Wednesday.

Another interesting formulation occurred in the only statement to express the mutual view that "peace and stability in northern Europe and in the Baltic region" are best served by expanded cooperation and not through an "escalation of military activities."

If the Soviets were thinking of such things as the reinforcement of Sweden's submarine defenses here, it was not mentioned in Friday's statement. But it may not be wholly unimportant that in the TASS English-language version of the speech the prime minister made at dinner Tuesday evening, only one thing was missing--namely the statement that Sweden has "taken steps to strengthen the effectiveness of our neutrality defenses."

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NORWEGIAN SENIOR OFFICERS: SWEDISH DEFENSES VITAL FOR NORWAY

Oslo AFTENPOSTEN in Norwegian 17 Apr 86 p 10

[Article by Olav Trygge Storvik]

[Text] A clear condition of Norwegian defense and security policy is that Sweden maintains a strong defense system. The limited defense resources in Norway are allocated with this in mind and if there is a drastic reduction in Swedish defenses, Norway will be in trouble.

The chief of staff of the Defense High Command, Lieutenant General Alf Granviken, used these words in emphasizing the importance of the Swedish defense system from a Norwegian point of view when the study committee of the Defense College Society held a seminar to examine Scandinavian security problems. The Swedish defense staff chief, Vice Admiral Bror Stefenson, was invited to present the Swedish military view of the strategic situation. Central people in the Swedish security policy debate were also asked to attend the conference.

In recent years there has been a lively security policy debate in Sweden against the background of the large number of submarine violations, but also as a preliminary to a political confrontation on the Swedish defense system after a consistent and onesided arms reduction phase over the last 15 years. This development has led to strong numerical reductions in the Swedish Armed Forces in all three branches of the service. Swedish military professionals have long criticized the trend and the debate intensified not long ago when statements from high-ranking officers in the army and navy indicated eroding military confidence in the ability of the armed forces to perform their assigned duties unless strenuous efforts are made to correct deficiencies.

Swedish Air Force

Norwegians have also expressed concern about certain elements in this development and they have pointed in particular to the importance of a strong Swedish air defense system as a stabilizing factor in the Nordic region. Lt Gen Granviken also stressed the importance of the Swedish Air Force, but assured his audience that Norway does not feel that invaders could use Swedish air space without suffering considerable losses. The Swedish Air Force will greatly improve when the JAS 39-Gripen combat plane project becomes operational sometime in the 1990's, according to Granviken. Although it was not stated directly, it can be assumed that this view is based on the condition that the airplane is equipped with all the weapons systems that are now planned for it.

Necessary Dialogue

Grethe Vaerno, who has been a driving force in the study committee's work on the conference, pointed out that a Nordic dialogue on security matters is necessary, even though the different countries have chosen different solutions for dealing with their security policy problems. One cannot ignore the fact that there is a close connection between the Nordic countries when it comes to military aspects. This is due to proximity and to the fact that the countries lie on the same axis from the heart of the Soviet Union toward the West, between the Soviet Union and the open sea, she said.

Nuclear-Free Zone

"This problem becomes even greater when one picks out one topic--namely the nuclear-free zone--and elevates it to the point where it becomes the only theme suitable for joint discussions. This helps create distorted ideas about Nordic security policy problems and gives the impression that the zone issue can be placed above a country's general security policy course. The stronger a zone debate is carried out, the greater the need to discuss Nordic/Scandinavian policy much more openly and clearly than has been the case," said Grethe Vaerno. She pointed to the importance of people in the Nordic region having a reasonable expectation that no land's territory will be used as a platform for an attack against another Nordic land. Here the debate on defense appropriations and the expansion of the military infrastructure enters in with full force.

Swedish Strategy

Vice Admiral Bror Stefenson also underlined the importance of a strong Swedish defense for its own sake as well as for the importance it has in a Nordic context. Stefenson stressed two geographic-military factors that Sweden must pay a great deal of attention to in its security policy and that people in Norway are not fully aware of.

The main thing is the connection with the central European strategic situation. Sweden is a country that represents a link between the Nordic region and central Europe. Therefore Sweden cannot ignore the situation there any more than it can free itself from the security policy situation in northern Europe, he said.

The other vital factor for Sweden is the strategic importance of the Baltic Sea as a body of water dividing East and West. Sweden is the biggest coastal country in the area and lays great emphasis on the fact that the Baltic Sea is free and open to everyone. But it is somewhat different for the Soviet Union. The Baltic Sea has both defensive and offensive importance as far as Moscow is concerned. The greater and more advanced control the Soviet Union can achieve over the Baltic Sea, the more secure the situation will appear in Moscow, he said.

Historical Parallel

From a Norwegian point of view it seems surprising that a navy officer could look so far south in his description of the strategic situation. The importance of the stepped-up and increasing Soviet naval activity in the Norwegian Sea for the entire Scandinavian region was strongly emphasized by the Norwegians throughout the conference. But here there can be a question of differences in nuances in one's view of the military threat. Bror Stefenson also showed a sense for historical parallels and reminded his audience of the Soviet military need for control over the coasts around the Gulf of Finland before 1945. That was before the Soviet Union became one of the leading naval powers. Today it is quite possible that in Moscow's strategic view the entire Scandinavian region has the same importance as the land areas around the Gulf of Finland had before 1945.

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MILITARY EUROPEAN AFFAIRS

NORWEGIAN PUBLICATION ADDRESSES MILITARY BALANCE IN NORTH

Oslo AFTENPOSTEN in Norwegian 29 Apr 86 p 4

[Article by Olav Trygge Storvik: "The Norwegian Version of 'The Military Balance': Twelve Major Bases on Kola"; first paragraph is AFTENPOSTEN introduction]

[Text] The Soviet Union has 12 major bases on the Kola Peninsula according to a chart in the Norwegian version of "The Military Balance 85/86" which is now being published by The Norwegian Atlantic Committee.

This is the first time that a chart has been published showing the Soviet naval bases on Kola, and the information is based on Western intelligence material. In addition to the 12 naval bases on Kola, the chart also shows that the Northern Fleet has four bases in the White Sea and one base on Novaya Zemlya. The Norwegian version of "The Military Balance" (which is based on the international "Military Balance" published by the Institute for International Strategic Studies in London), could this year for the first time show where the major air bases are on the Kola Peninsula. This same information is included in this year's edition.

According to the chart, one of the Soviet naval bases on the Kola coast is rather remote from the others. That is the base "Gremikha" at the entrance to the White Sea. According to unconfirmed information this is one of the bases utilized by the newest type of strategic submarines of the Typhoon class. There are four Typhoon class submarines in the Northern Fleet, and the ship is especially constructed to be able to operate under the ice in the Barents Sea and Arctic Ocean, and from any point at sea outside its base it can reach the American continent with its long range missiles.

Nightmare

Otherwise 10 of the 12 large harbors and bases on Kola lie within a very limited area by the entrance to Murmansk. In this fjord the bases are actually so close together that it must seem like a nightmare for the responsible admiral.

"The Military Balance" also releases new information about elite forces such as the Spetznaz and Marine Infantry which belong to the Northern Fleet. It is calculated that the existing Marine Infantry brigade at Petsjenga consists of four infantry battalions and a tank battalion. In addition there are support and supply units. It is a total of about 3,000 soldiers with Norway as its most important target. About a week ago this elite brigade practiced a landing exercise a few kilometers from the Norwegian border in Finnmark.

Brigade Kept Hidden

For the first time it also says in "The Military Balance" that there is one more brigade of these elite forces as a mobilization force on Kola, but which they try to keep hidden in peacetime. Major General Martin Vadset, who is commander of the Ground Forces North Norway, presented the same possibility in a lecture at the Oslo Military Association recently. According to the general, nobody should be surprised if at the outbreak of war it turns out that there are two Marine Infantry brigades on Kola, and not one which has so far been officially assumed in Norway. He reminded that the Russians have a tradition of keeping two such units in that area.

The Northern Fleet also has its own Spetsnaz brigade of 600-800 men, in addition to the Spetsnaz brigade attached to the military district which is stationed south of Leningrad.

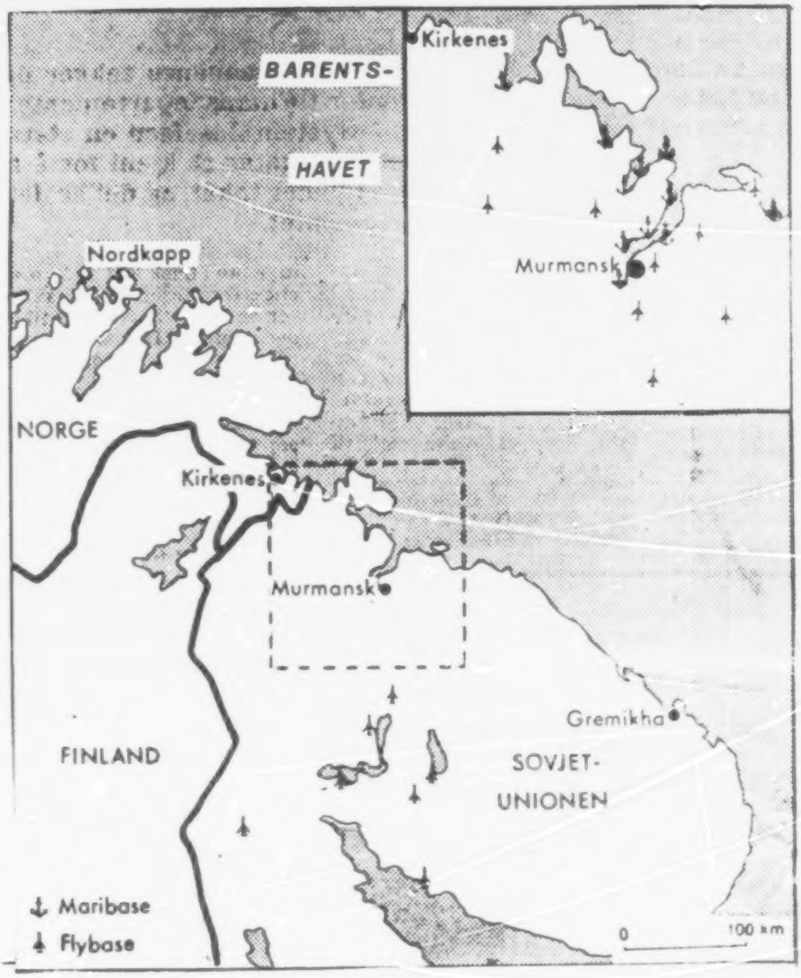
Offensive Capability

"The Military Balance" has for the first time an organized review of types and numbers of aircraft and helicopters which are assifned to the Northern Fleet, air defense forces and the Army within the military district. It says that the aircraft operate essentially from airfields at Severomorsk, Olenegorsk, Murmansk NE, Malyavr, Luostari, Kipelovo, Belushya and Arkangelsk.

Through an increase of helicopter inventory, an increase which is continuing, the offensive capability of the Soviet forces is continuing to improve, it says. The number of transport helicopters in the military district now makes it possible to carry out large scale tactical operations in difficult terrain. It is calculated that it is possible to double the number of aircraft at airfields on Kola with the intention of operations against north Norway and the Norwegian Sea, and that such reinforcement could be carried out on very short notice or with no notice.

Sweden and Finland

This year's edition of "The Military Balance" also has a more detailed survey of Swedish and Finnish forces than previously. For Sweden there are some negative adjustments of numbers, especially for the Army. As for Finland, it is reported that refresher training now has a higher priority, and that 42,500 men were called up for maneuvers last year. There is also emphasis on the expansion of the radar surveillance system, and that air defense is strengthened with more aircraft. This development took place in Finland just after a Soviet cruise missile violated Norwegian and Finnish airspace at the start of the new year.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Caption: In the area within the dotted line are the 12 major naval bases which the Soviet Union now has on the Kola Peninsula. In the corner is an enlargement of the area.

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MILITARY AUSTRIA

LANDWEHR EXERCISE DEMONSTRATES NON-MOBILE BLOCKING TACTICS

Vienna DER SOLDAT in German 9 Apr 86 p 1

[Article: "Blocking Exercise in the Tulln Countryside"]

[Text] Since you cannot simply blow up a bridge over the Danube or a power station in the event of an emergency, if only on account of the economic damage, then you simply have to think of something else to make these crossings impassable.

To practice these ideas on the spot was the task of Blocking Exercise '86, which was carried out from 17 to 21 March in the Tulln countryside. Involved were 2,000 soldiers of Landwehr Regiment 33, which is under the command of Colonel Stainer and is stationed in Mautern on the Danube.

For the most part this Landwehr regiment consists of reservists from Lower Austria, mainly from the Tulln countryside, among whom all professions from worker to student, from civil servant to bank president are represented. Correspondingly great was their pleasure in seeing acquaintances again on the Monday they reported for duty, because experiences of the past 2 years were exchanged with great interest. By the end of the exercise it turned out that one of its goals, that of forming a community of these reservists from widely scattered areas of civilian life, had certainly been achieved. On the other hand, there was also the goal of turning the civilians reporting for duty into disciplined soldiers within a few hours. This goal as well was quickly achieved, and thus the exercise was transferred to the practice zone of Wagram-Perschling-Langmannersdorf-Traismauer-Traisen.

As a unit of the non-mobile militia, Landwehr Regiment 33 has the task of blocking the lines of troop passage between the Dunkelstein Forest in the east and the perimeter of the Vienna Woods and of guaranteeing an effective securing of the Altenwoerth and Greifenstein power stations.

Put to the test in particular was the level of training of the soldiers of the regimental command of Staff Company 33, of Light Infantry Battalion 332, of the corps of engineers for blockading rivers in the Tulln countryside and of the Altenwoerth security company. To assure its defensive assignment, Landwehr Regiment 33 also has at its disposal a supply company, Light Infantry Battalions 331 and 334 and the Greifenstein security company, which was, however, not called up for this exercise.

The purpose of the exercise was different for the various units. The Altenwoerth security company stood out the most. In the event of a crisis it supports the executive branch so that the latter can realize a complete defense of all endangered objects. It is the first time this cooperation has been prepared for to such an extent. The security company of the Tulln district captaincy was placed under the Interior Ministry as a support force and made familiar by officials of the constabulary with its assignments in the event of a crisis, namely the civilian securing of the power stations. In this regard, for example, the Federal Army and the constabulary have extremely different weapons use and detention regulations in which our soldiers must be instructed in theory and practice.

The light infantry battalion mainly practiced the occupation and consolidation of "its" blocking positions to make the soldiers familiar with their zone of defense. It had to repulse attacks by combat helicopters and figher bombers, and it had to prevent mechanized forces from crossing. The corps of engineers, whose assignment was mainly to make the terrain impassible, had to prove its ingenuity in explosives, blocking and mine-laying duties, but it also had to construct light makeshift footbridges in order to be able to withdraw its own advance forces in time and with dry feet.

Unfortunately this exercise was only partly organized as a small maneuver; it was interrupted again and again by training phases which considerably disturbed its tactical coherence. One of these training phases, which were important nevertheless, was the sharpshooting on the open terrain near Watzelsdorf, which obviated a shift to a training area but required extensive security measures. Common to all units was practice in living in the field under tactical conditions, whereby supplying with warm meals and all goods took place exclusively in the hours of the evening and the night. A further point was the NBC defense training, whereby the Lower Austrian military command erected a decontamination station in which not only detoxification occurred but also the washing off in the warm shower of a lot of dirt from this week.

On the training program were, in addition, medical service training, first aid for oneself and comrades (which, unfortunately, had to be used in practice right away by two soldiers, see Picture Chronicle) and the schooling of cadre personnel at all levels.

As has already been tried and proved repeatedly, an information center was set up at this exercise also, this time in an inn in Traismauer, to explain to the population and the schools of the vicinity the progress of the exercise and the task of our Army in this zone. In Zwentendorf a radio broadcast was also organized which was transmitted live on Austrian Regional Radio and in which the soldiers in training as well as the civilian population took an active part. Wreath layings in Zwentendorf and Sitzenberg respectively constituted the conclusion of the supporting program. Through these activities yet another step was taken towards the integration of Army and population.

These exercises are, as Switzerland has been demonstrating for a long time, an absolute necessity for keeping the learning and skills of militia soldiers up-to-date and for having their inclusion in squads, platoons and companies become a matter of course. The soldiers have shown that they are ready to actively make their contribution to the defense of our neutral Austria in spite of adverse, extremely cold weather conditions, especially at night, and many absurdities in the process.

Two thousand hedgehog positions have again withdrawn their spikes, but are ready at any time to let a possible aggressor feel them.

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CSO: 3620/676

MILITARY BELGIUM

RIGOROUS TRAINING, HIGH MOTIVATION MARK PARACOMMANDOS

Basel SCHWEIZER SOLDAT in German Jan 86 pp 13-16

[Article by Hartmut Schauer: "Paracommandos--The Belgian Paratroops"; first paragraph is SCHWEIZER SOLDAT introduction]

[Text] The deployment principles and techniques for airborne troops, which are only a few decades old, have been altered considerably since the time of mass jumps, accompanied by heavy losses and daring cargo glider employment, and have, thus, adapted to military and technological changes. Although in many armed forces today military paradrops are the exception rather than the rule, a large portion of the airborne troops continue to be trained as paratroopers. The numerically small Belgian paratroop unit shows a high degree of training and is highly motivated, disciplined, and self-assured. Although since Belgium gave independence to its former African colonies and since that time has no direct worldwide alliance obligations, the paratroops can, if needed, be employed very quickly at any time over great distances. The need for such capacities was demonstrated when some years ago Belgian paratroops participated in a rescue operation in Zaire in central Africa. Today, the "paracommandos" serve particularly to provide rapid reinforcement for the I (BE) Corps in crisis situations and in the event of defense.

Development

The Belgian airborne troops were activated during World War II in British "exile." In 1942, the "10th International Command" became the forerunner organization. There was combat action, mostly within the framework of the British 8th Army in Yugoslavia and the Netherlands. In 1952, the paracommando regiment was established and all Belgian airborne/paratroops and commandos were subordinated to it.

During the Korean conflict, the Belgian airborne elements constituted a significant portion of the key personnel of the UN Command contingent deployed in the area, although the regiment itself was not transferred to South Korea.

In 1959, unrest broke out in former Leopoldville, which is Kinshasa today, among the black populace. The 2d Commando Battalion was transferred on short notice to reestablish order in the former Belgian colony.

In the following years, the Belgian airborne troops participated in numerous military operations. A high point was the 1978 landing of two battalions of Belgian paratroopers supported by the antitank company of the regiment in the area of Kolwezi, together with French paratroopers.

The Paracommando Regiment

The staff with supply services at Everberg has jurisdiction over the following components:

1. the airborne battalion at Diest,
2. the commando battalion at Flawine,
3. the airborne battalion at Thielen,
4. the airborne artillery battery (105-mm howitzers),
5. a reconnaissance company (light scout vehicles),
6. an airborne antitank company (at Milan).

The airborne battalions are composed of the headquarters and supply companies with heavy mortars and communications platoon, as well as paratroop companies. The company only has two combat platoons, but is supported by an antitank platoon with two "Milan" groups.

The training centers at Marche-les-Dames and Schaffen also belong to the regiment. There is no actual difference between the airborne units and the commando units. The original unit designations are used for reasons of tradition; the "paras" wear red berets--the "commandos" wear green berets.

Mission and Deployment Principles

According to the "Livre blanc de la Defense Nationale"--the Belgian white book covering national defense--the regiment is assigned to the territorial command and creates a discretionary force within the "Forces de l'Interieur." The airborne troops are the nucleus of the army reserve; it is at full strength with respect to personnel and materiel. Its military mission encompasses the following:

a. securing of state territory in case of war-type conflicts,

b. participation in the NATO/AMF group,

c. reinforcement of I Corps in the FRG under certain conditions.

The Belgian share of the so-called NATO Fire Brigade, which is supposed to defend the endangered north and south flanks of NATO in case of war, consists of one airborne battalion and the airborne artillery battery. And the troops of the units have good opportunities for being employed abroad during exercises; Denmark, Italy, Greece, and Turkey are the countries involved.

The "pure" paratroop regiment is trained for combat under difficult terrain conditions; it also has a considerable antitank capability. Employment as light infantry is, for example, quite feasible in such regions as the Ardenne or in the Eifel. As airborne troops, the considerable mobility stands in the foreground which, in case of need, would facilitate even strategic deployment over great distances.

A squadron of the air force equipped with C-130 Hercules aircraft provides the necessary transport, although the transport aircraft are also planned for use in other areas, for instance, for logistics purposes. There are no medium transport helicopters, and thus "air-mobile" operations are not possible. Nevertheless, the paratroops are trained for such airborne operations. A 2-week training cycle takes care of this phase. The helicopters are provided by the U.S. Army or by the Bundeswehr and represent a gladly accepted training aid within the framework of NATO interoperability.

It is not planned to use the regiment for long-distance reconnaissance missions. For this purpose, the I Belgian Corps in the FRG has an independent long-distance reconnaissance company. Voluminous commando employment is also not planned; such operations are limited moreover to tactical reconnaissance and shock troop employment with only slight penetration into depths. Similarly, special employment in the enemy depths such as sabotage or special actions are not planned. Also, there is no plan to use the units as antiterror troops or to combat guerrillas; these measures are within the jurisdiction of the mission assigned to the state gendarmerie.

Personnel and Training

The paracommando regiment is staffed by draftees, professional soldiers, and long-term servicemen on a volunteer basis. Soldiers and noncommissioned officers remain with "their" regiment for the most part for the entire duration of their service time. This has a purely practical cause, resulting from the specialized training on the one hand (there is only one regiment) and efforts to assign soldiers to a type of "military home" on the other hand.

Draftees serve 15 months, but draw full service benefits for the number of months which exceed the legal military service period. Long-term servicemen volunteer for a period of 2 to 5 years and can, should the need arise, be obligated for additional periods and later be accepted as career soldiers.

Officers remain with the regiment for the most part through the rank of captain, but since there is only a limited number of staff officer billets available, one finds many of the older paratroopers serving with general staffs and offices. Interested and qualified recruits have reserve officer and noncommissioned officer career tracks open to them. Promotions are the same as in the general units. About one-fifth of the personnel are recruits, the rest are long-service personnel and career soldiers. Efforts to convert the units completely to being staffed by long-service personnel and career soldiers failed because of the expense. It was precisely the Belgian Armed Forces which in recent times have become victims of massive savings which had appropriate effects on the training status and employment readiness of Belgian units.

The high performance standards of the Belgian paratroops, which is generally recognized throughout NATO, is surely attributable also to the great care being exercised in selecting personnel and the thoroughness of the training.

Efforts are made to find ways which serve the physical as well as the moral development of young soldiers in small well-modulated steps. Feelings of cohesion and pride in their own units are strong; relationships between individual career groups are strong with respect to comradeship and respect. Any trend toward an elitist arrogance, toward hero worship and "supersoldiers" is avoided.

The commitment of the training officers shows very good results in practice. If a young soldier is found to be suitable and qualified, then he mostly passes the other training steps, sometimes with "more intensive" attention.

Selection Process

With all paratroop units, the first requirement is to volunteer--this is also true in Belgium. Physical suitability is determined by a special medical examination. Additionally, the following sports tests must be passed:

a. 5 chinups,

b. 35 pushups,

c. high jump--1.15 meters,

d. rope climb--5 meters,

e. negotiating a 2-meter-high wall,

f. ability to keep one's balance,

g. 3-km cross-country run to be done in 15 minutes.

Suitable applicants first go through 3 months of basic military training at the Commando School at Marche-les-Dames. During this time, a systematic conditioning training is provided in view of upcoming training. During the 4th month, the actual commando training is accomplished, but represents more a type of infantry special training for employment under difficult terrain conditions. The training material contains the following focal points:

a. overcoming of terrain obstacles,

b. hand-to-hand combat,

c. principles of military mountaineering,

d. living under field conditions, principles of survival,

e. using boats on the water,

f. reconnaissance troop practice and penetration practice.

At the end of this training sector, there is a test. Passing the test results in a festive conferring of the "A-Certificate Commando" and the appropriate beret in red or green.

In the 5th month, jump training takes place at the Paratroop Training Center at Schaffen.

Ground training, introduction to tactical and technical specialties of the airborne system, is preceded by eight jumps which begin by jumping from a training balloon and then from transport aircraft.

After jump training, the young soldiers who have now qualified as paratroops are transferred to their units and receive further training there as infantry soldiers, artillery soldiers, antitank gunners, or radio operators.

The Training Center at Schaffen

The paratroop school engages mostly in training courses for the follow-on generation, but also trains paratroops to a limited extent.

Paratroop training lasts a maximum of 4 weeks and is divided into 1 week of ground training, 3 days of technical training, and eight practice jumps. The first four jumps are made from a balloon tethered at an altitude of about 300 meters with the jumper located in a gondola on the underside of the airship which is always hoisted up. The balloon is used for economic reasons (fuel savings and fewer flying hours), but also for its psychological effect (more quiet time for the jumpers). The balloon has replaced the otherwise commonly used jump towers. After the course participants have become familiar with the techniques of handling the parachute, the jump, and, primarily, the landing, there are four additional jumps from transport aircraft. One night jump and one jump with full field equipment are included. After training, the trainees receive the "A Brevet" for paratroops. Members of all arms of service and graduates of the Advanced Military School for Officers can earn the "B Brevet," which only calls for a total of four jumps. While participation for officers is mandatory, other applicants can participate in the training course only if space is available. Naturally, these "amateur" paratroops must also volunteer; they must be able to prove that they are at least at the level of a noncommissioned officer.

The center also trains jump instructors and experts in dropping heavy weapons, jumpmasters and free-fall jumpers. Relations with paratroop units of allied and friendly armies are particularly close. There is a lively exchange of individual personnel, partial units, and company-size units. Participation in numerous sports and military competitions within the country and abroad which are connected with the earnings of numerous decorations is taken for granted.

The personnel strength of the school is approximately 250 soldiers, including a few females. The commandant of the school, who currently holds the rank of lieutenant colonel, has a small staff at his disposal. The headquarters company has a platoon of specialists for loading and dropping of heavy cargoes; jump instructors are gathered together in a special platoon. A technical company has a platoon of parachute packers to pack the chutes and to do any maintenance work; the second platoon services the balloon training system. Student capacity is 240 and courses are attended by 60 to 120 jump trainees. For the duration of the training, they are split into 20-man groups commanded by a noncommissioned officer.

The accident rate is very small and technical errors are almost nonexistent. Occasional accidents are attributed to uncalculable weather conditions such as the sudden occurrence of ground wind.

The school exerts a great attraction for a number of not directly involved persons. Thus, the Belgian successor to the throne is a frequent and welcome visitor; also, members of various multinational NATO staffs and offices do their obligatory jumps here, partially because of sports enthusiasm, but also in order to qualify for continuation of jump pay.

Active Belgian paratroops usually receive an average net bonus of 180 francs. The Belgian paratroop insignia is only available in one grade, irrespective of the number of jumps, although training officers wear their own version. The standard parachute is the French Model EFA-672-12.

Courses for Juveniles

Young men between the ages of 16 and 21--and girls also--can obtain a personal picture of what service life is like for paracommandos on a volunteer basis.

For this purpose, during the weeks of summer, both schools organize "sniffer weeks" which, however, contain no obligation for the participants. Each summer camp lasts 1 week at the Commando School with interesting introductions into the secrets of climbing and water service. The courses at the Schaffen paratroop school last 2 weeks and include four jumps from the balloon.

Summation

Belgian paratroops have a high degree of performance and are excellently motivated. As a military "fire brigade," they stand at the disposal of the political leadership at any time in case of need. Despite all justified efforts of achieving savings in the military sector, such savings must not be at the expense of the paratroop units which also represent an essentially operational reserve in the area of NATO in central Europe.

5911
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MINISTER ARGUES AGAINST 'NONAGGRESSIVE DEFENSE' CONCEPT

Copenhagen BERLINGSKE TIDENDE in Danish 8 Apr 86 p 9

[Article by RB&Bj: "Engell Cautions Against Nonaggressive Defense"]

[Text] "If Denmark follows the advice which a number of peace researchers as well as politicians on the left wing have put forth regarding restructuring of the Danish defense system into a so-called nonaggressive defense, a decisive break with the entire basis for the NATO alliance will have been prepared for."

Defense Minister Hans Engell (Conservative Party) cautioned with these words yesterday evening at a debate meeting at North Funen Gymnasium in Søndersø against a proposal by the left wing regarding a so-called nonaggressive defense.

"Major forces in the Socialist People's Party and Socialist Left Party are attempting to entice the Social Democratic Party with proposals regarding a so-called nonaggressive defense system. This would be a gamble which must be sharply repudiated," Hans Engell said.

"If we reorganize the Danish defense system in a direction so that we cut ourselves off from any possibility of being able to move our forces, it is the same thing as saying to the other NATO countries that we cannot help them or ourselves in an attack situation," he said.

8831
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MILITARY DENMARK

MAJOR DISCUSSES OFFICERS' RESPONSIBILITIES IN DEFENSE DEBATE

Copenhagen INFORMATION in Danish 7 Apr 86 p 5

[Op Ed article by Major Michael Clemmesen, historian: "The Officer in the Defense Debate--an Unprotected but Necessary Frontline Fighter; Regarding Officers'--Some of the Country's Officials--Dilemma in Taking Part in the Public Defense Debate"]

[Text] Often the country's officials are challenged to take part in the public debate. The participation could result in the fact that decisions would gain a broader basis, become less autocratic, more democratic. This attitude enjoys broad--in principle--political support. However, the support is only in principle. When it comes down to brass tacks, government politicians understand quite well what advantages are achieved by controlling information and the capacity for analysis. If individual government politicians should have kept their democratic idealism in this area, there will always be officials who emphasize the disturbing effect on the administration of the domain in question which a sharing of information with the press and the opposition would have.

However, in most areas control over the central administration does not give an information and analysis /monopoly/ [in italics]. There is always in the local administration, in special-interest groups, at schools and in parts of the occupation in question a capacity which the press and the opposition can draw on.

However, an exception is defense policy. The only military experts in Denmark are united in the services' officers corps. In contrast to abroad, there is no civilian defense policy expertise here. This is due to the fact that since the start of the century it has not been considered especially relevant to get any.

Denmark can certainly not be defended militarily, goes the Danish defense policy dogma from the prewar period, a dogma which in modernized form primarily sees our military security as a function of the nuclear weapons guarantee and the possibility for Western allied reinforcements. It is ignored that the existing West German contribution to our defense goes beyond everything that we might be able to expect of reinforcements. It is not understood that our military geographic situation is better than the situation in the

Federal Republic of Germany--if defense is not regarded as hopeless. It is not seen that the credibility of alliance solidarity also--and to a substantial degree--is based on the "military technology" content of Denmark's military defense. It is not understood that the dogma would have objective content today if it were a fact that any conflict would with certainty unleash a total nuclear war. In this case it would be generally valid, however. In sheer fact the dogma is an anachronism.

The officer with his background has not had difficulty in recognizing this, and he is placed in a dilemma when politicians, supported by security policy advisers--with a point of departure in the logic of the anachronistic dogma, without wanting to and without realizing it conduct a policy which results in undermining the defense system's content and effectiveness.

Without necessarily understanding that the problem is caused, among other things, by the fact that he perceives the meaning of "military technology" matters essentially differently from his political employers and some of their chief advisers, he feels the need to counteract developments by taking part in the debate. His dilemma arises because he expects that the "system's" attitudes toward the participation of officers in the debate are as follows:

The officer is an /official/ [in italics] in the Danish central administration. Only if he with his participation in the debate acts as a self-appointed spokesman for the government's policy can it just barely be accepted. But it is preferred that he, if he has good ideas or arguments, channel these so that the government--if it so desires--can reap the political gain by using them. He understands well that the government in office almost has an analysis and information monopoly in the area of defense. An official does not "politicize," i.e., he does not make statements to the public in such a manner that a political debate originates.

Open participation in the debate will only disconcert the politicians and /provide them and the opponents of the armed forces with pseudo-objective arguments/ [in italics]. The armed forces leadership's line has been laid down out of consideration for all objective viewpoints as well as with an understanding of the politically practicable. The uncontrolled debating officer's statements will not be able to avoid being narrow partial contributions which, if they are adopted politically, will only upset the impartial line laid down by the armed forces leadership. Historical experiences have been had, of the inappropriate in a divided front in the encounter with the politicians. Loyalty and discipline are expected in peace time, too. Uncontrolled participation in the debate can be perceived as disloyal, as unhealthy exhibitionism or as an attempt at politicized career making. In the armed forces' traditionally closed system, besides, a tendency will be had to take a non-understanding attitude toward (and to feel insecure about) officers' gathering and discussing outside traditional defense policy circles.

This is the officer's perception of the "system's" attitudes and thereby of the risk of entering the debate. It is a perception which unfortunately is realistic. It must be strongly regretted, because these attitudes in the defense area--because of the monopoly situation--lack legitimacy in our democratic political system. Only in a situation with an acute foreign policy crisis, in which the nonambiguity of signals can be decisive, will it be fair and appropriate to limit the debate.

If the officer should surmount the misgivings threshold and enter the debate, he will encounter a new set of expectations and attitudes from the society he encounters:

The officer is /a legitimate representative of one of the special-interest groups/ [in italics] competing for the society's resources. It is natural that both the armed forces leadership and other representatives of the armed forces participate in the debate. If this does not take place, it must be because the organization's arguments for retaining or increasing its share of the society's resources are so poor that a reduction is reasonable.

The officer is only the /powerholders' representative/ [in italics]. When he takes part in the debate he is acting as a propagandistic "organ grinder" for them. His input was chosen in opportunistic loyalty to the powerholders (who can be in office in the government or be better represented in the opposition). His contributions for this reason are not especially impartial. They are also not especially relevant to Denmark's security because they rest on unscientific, too narrow or anachronistic premises.

The source of this perception here at home is to a considerable extent the provisional period's strong linking together of participation of the army officer corps in the debate and class and party politics interests.

The officer is /the only loyal representative of the armed forces cause/ [in italics]. He is the only domestic safeguard against the politicians' opportunistic acting with the country's security as suits them. Only he places the nation's survival above private party and political party interests. The politicians' attempts to hinder the participation of officers in the debate border almost on treason against the people. The armed forces leadership's support, if any, of the politicians' attempts can only be regarded as career making.

This attitude too has its roots in the provisional period, but its most important source is the experience on 9 April 1940 and the occupation.

For many officers who take part in the debate the motivation is a mixture of the first and last of these three attitudes. It is for this reason natural that a considerable portion of one's efforts is used on mobilizing traditional defense policy audiences. This also reduces the risk in taking part in the debate. The first attitude, incidentally, can be regarded as legitimate, for it is based on a perception of our political system which is widespread among the people and among politicians. Regardless of the motive behind participation in the debate, in the present situation it must be seen as necessary and appropriate.

Without a more qualified debate, which cannot originate without the participation of officers, it is hardly possible to create the political will to implement the priorities which are a precondition for the armed forces' being able to use their resources purposefully. Political feedback, which of necessity must be objectively realistic and relevant foreign-policy-wise, is lacking today in many areas. Some of the essentials are:

The question of guiding readiness for the armed forces which both reflects the foreign policy situation and the likely distribution of resources.

The question of the will to base the defense system on the use of weapons before Danish (or nearby allied) territory is invaded or attacked, as well as:

The question of the dependence of reinforcements and the nuclear weapons guarantee in relation to the national defense system's staying power (together with the Federal Republic's forces).

Without feedback in these areas, among other things, it will not be possible to ensure a rational defense system, regardless of the economic level.

Participation in the debate will cover an important need also in a less concrete more attitude-shaded area. Without it, contact between the people and armed forces, which no one of a really democratic disposition can have anything against, will be very limited. Only a small portion of the population today gains contact in connection with the completion of compulsory military training.

There are no long exercises in which one lives among the rural population for periods. The officer corps behaves shyly and reserved toward the society which it otherwise in other ways has now been completely integrated into. To the average Dane the armed forces today seem remote, impersonal and, because of their mission, inhuman. Whether there should be armed forces and the question of their organization should not be decided without a conflict of opinion in contact. Only via direct confrontation with "ordinary people" and their expectations and prejudices will an officer be trained to put his expert knowledge into a relevant perspective. The officer has at least as great a need for confrontation with a perhaps non-understanding and critical audience as the audience will benefit from having any predjudices punctured.

Regardless of the fact that the attitude basis of individuals can perhaps have its validity contested, the participation of officers in the debate is desirable from a higher-level point of view. A fourth attitude which he will encounter in broad circles emphasizes this. This has its basis in the fact that /the officer represents the only military expert knowledge in Denmark/ [in italics]. This must of course be placed at the disposal of the people in a democratic process. This is an attitude in direct conflict with the perception that an officer must behave as a traditional Danish official. As mentioned, this attitude is found in broad circles, i.e., also among those critical forces who were represented in the disarmament movements. Often the "powerholders' representative" who is invited to legitimize the claim of having all sides represented has ended up in another role.

The idea that this attitude should govern the "system's" policy toward the participation of officers in the debate is certainly naive, but it does not lack legitimacy in a democracy. Without open participation in the debate there is a risk that a total understanding and cultural gap will arise between the people and the armed forces. The political debate regarding the armed forces policy can very well end in a confrontation and polarization which do not even have an objective basis. The side which does not have expert knowledge at its disposal but which is just subjected to what it can perceive as a bombardment of claims can end in agreement on a policy which suffers from very important objective--and, derived from them, policy--shortcomings. When I have the naive models for a "non-offensive" defense system presented, the possibility does not seem remote to me.

8831
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MILITARY DENMARK

HOME GUARD COMMANDER ON MISSIONS, CAPABILITIES

Copenhagen BERLINGSKE TIDENDE in Danish 17 Apr 86 p 16

[Op Ed article by Major General Rud Gottlieb, Home Guard Commander: "An Indispensable Component of the Defense System"]

[Text] That I am taking the floor in connection with Mr. Jens Maigård's debate article in BERLINGSKE TIDENDE, 4 April 1986, is not due to Mr. Maigård's treatment of the subject of a nonaggressive defense system, for Mr. Maigård does not treat it but just points out the fact that "at the moment it is being studied and considered." Clever and noncommittal. For a nonaggressive defense system in the newly invented version--though referred to by Mr. Maigård as "a Nonaggressive Wearing-Down Defense System"--has no meaning in Danish defense.

Denmark has never had and will never get anything other than a nonaggressive defense system, and I will come back to this.

Denmark has a Home Guard, which in its idea, conduct and organization is unique in the entire world. For this reason the Home Guard also deserves attention when we in Denmark today discuss our foreign and security policy situation.

Often many of Denmark's 75,000 voluntary members of the Home Guard have challenged me to retort to more or less condescending statements regarding this home guard as a whole or regarding individual members.

Such statements have often stemmed from an emotional basic attitude which does not permit itself to be influenced by objective arguments.

Although this is certainly also the case with Mr. Maigård's attitude, let me be allowed to appear to be an instigator here--on my own behalf, but really primarily on behalf of 75,000 present and about 200,000 former members.

That I am accordingly retorting is due to Mr. Maigård's display of contempt for the Home Guard's members. I quote: "Formerly it was said regarding the Home Guard people that they were 'peacetime murderers.' But it is a movement which it is a question of here. And the fact remains as well."

Clever. Then the fact remains. Without reference and without anybody's being held responsible for the statement.

As a Folketing candidate it is disgraceful to make such a show of contempt regarding an impressive group of well-meaning and defense-positive people represented by every part of the Danish community.

Mr. Maigård owes all these (about 275,000) people an unreserved apology. It should be made without explanations, commentaries or association with other viewpoints.

In support of my view, I can add that I have had to answer a good many inquiries regarding the difference between Mr. Maigård's statement and the just concluded case on Langeland, where a man was convicted for having called in a reader's letter a retired police inspector a Nazi. The difference is that Mr. Maigård is more cunning in his choice of words.

In order to give an account of the Home Guard's role in, among other things, a nonaggressive wearing-down defense system referred to by Mr. Maigård, it is appropriate to first give an account of the Home Guard's legally established duties, and of how we with our existing organization can discharge these duties.

The Home Guard is ordered by law to support the army, navy and air force in the discharging of their duties in the Danish defense system. These duties are discharged in and around the individual member's home and include mainly surveillance, standing guard and minor combat duties which can be discharged with a group effort (about 10 men).

The discharging of duties is conducted or coordinated by units of the size of a company (about 120 men).

Training is limited to what is necessary in order to be able to discharge the relatively simple duties with uncomplicated weapons. The entire country is covered by a network of "company districts," within which the almost 700 companies, flotillas and squadrons discharge their duties, figuratively speaking, by the "net's" being drawn together around the, it is hoped, limited enemy forces which invade our territory--by keeping an eye on them, hampering their freedom of movement, forcing them to set aside considerable forces for their own safety (protection), and, furthermore, striking at any letting down of their guard where the Home Guard's groups with their light but effective weapons can assert themselves.

With this in principle totally defensive conduct, the Home Guard can contribute to the service forces' gaining a better opportunity to discharge their duties. But only under the precondition that army, navy and air forces can quickly relieve the Home Guard by efforts at the local level does the Home Guard have a meaning. Otherwise the holdout time will be extremely limited and it will be the Home Guard which will very quickly be worn down--mind you, to no benefit.

Since Danish forces will never be able to counter landings everywhere in the country at the same time, it will be precisely the Home Guard's local effort together with the army's local defense units which will first and foremost be able to create the preconditions for the timely bringing into action of army, navy and air units in order to bring about local supremacy at the right time and place.

Therefore, if an attempt to occupy the country is to be prevented or preferably to be made not very attractive already beforehand--for it is this which our strategy aims at--the defense system must possess the ability to establish the required supremacy locally.

If the army is organized as a nonmobile and nonaggressive wearing-down defense force, the concept will just imply that it is Denmark's forces, the army and Home Guard, which will quickly be worn down.

The enemy will then be able to concentrate on bringing into action those weapon systems which are very suited to wearing us down, at convenient distances and without great risk to their own lives. Our forces can just "sit in the hole" and wait for--not /whether/ [in italics]--but /when/ they will die.

Then we will be a devourable and thereby tempting objective which arrangements can be made for already in peace time at that.

If the Home Guard is no longer included as part of a defense system with great firing power and mobility, our survival time will be so short that our presence will just be a waste of many good lives in vain.

In this case the Home Guard will not have any basis for existing.

If we are to have success with the modest total forces we can set on their feet (and they are not at all so insignificant at that), then the effort must be seen as a whole, and we must have at our disposal a combination of weapon systems which can handle the offensive systems a prospective enemy brings forward.

The halting of the enemy's armored divisions, which will come over dry land, can best take place if Danish forces together with equivalent West German and other allied forces can make an effective contribution, i.e., by a defense in Schleswig-Holstein.

Thereby, it is hoped, the enemy's main forces can be stopped before the border. And the Home Guard can retrench to discharge behind the lines those duties for which we are trained and organized.

Countering of those enemy forces which come via the Baltic (in the air or on the water) can best take place while they are united into larger units. That is, over and in the Baltic, before they land.

An effective air force and navy are required for this.

If the enemy all the same comes up into the country or lands, it is hoped, with reduced forces, its forces must also be able to be stopped and driven out again or destroyed via an offensive effort. Army field forces with, among other things, tanks are required for this.

If the Home Guard's effort--the countrywide network--can take place against a background of units of the services with the mobility to create the requisite weight in the secured space the Home Guard can create, then it will have a meaning:

That 75,000 volunteers, women and men, trained and with weapons in hand, will stand ready to defend their homes.

That they will be organized and trained to observe and report on everything that an enemy at sea, in the air and on dry land might undertake anywhere in the country prior to or concomitantly with an actual attack.

That the effective guarding of vital installations and mobilization areas can be begun in one or two hours and thereby, among other things, ensure the implementation of mobilization.

That in addition to the electronic warning systems there will be an alternative effective warning system which can warn of all incoming flights at low altitude and, at that, via this warning system enable the guidance of our own planes in the air, and:

Although, all the same, units of the enemy's forces succeed in invading the country, they will have to count on, over and above the army's weapons, which by virtue of their armor and mobility can be brought into action when necessary at central locations, in addition, encountering units of 10,000 antitank weapons attended to by Home Guard people familiar with the place and locale, from hedges and thickets everywhere they come from.

This is what the Home Guard can do.

And so up to now I have talked mainly about the possibilities for developments in a war--this is of course important.

However, the most important thing is to avoid a war altogether.

If it becomes known--and it is--that Denmark has become less appetizing, the chance that anyone will make an attempt at all will be smaller.

/This/ [in italics] is decisive, and thereby the Home Guard has contributed already in peace time to the discharging of the defense system's combined duties.

Just as the presence of the services and their ability to constitute a counterattack to the extent required is a necessary prerequisite for the

Home Guard's having a meaning in the Danish defense system, the presence and effectiveness of both the services and the Home Guard are a necessary prerequisite for allied forces' being able to be brought into action as part of NATO's defense system.

So, it is accordingly worth keeping the Home Guard we have, which, among other things, through its constant and high readiness and the will of its members to contribute to the country's defense, is unique in the entire world.

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MILITARY

DENMARK

BRIEFS

WOMEN'S COMBAT ROLE URGED--Women should not be kept away from the foremost front line if Denmark should go to war. The Home Guard Women's Corps is figuring on total equality before the next new year, and the chairman of the Equality Council, Folketing Member Helle Degn of the Social Democratic Party, expects it in the three services as of 1988, AALBORG STIFTSTIDENDE writes. In her opinion, this will mean that there will no longer be jobs women are kept away from. For example, today there are no women pilots in the armed forces. An experimental arrangement with women on battleships in the navy has already been concluded, and an experiment with women in combat troops in the army and in the close-range air defense system, among other things, in the air force is in progress. This will be concluded in 1987, and the data collected will form a basis for the future. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 7 Apr 86 p 2] 8831

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MAJOR RESTRUCTURING INCLUDES RAPID DEPLOYMENT FORCE

Rome IL TEMPO in Italian 9 Apr 86 p 22

[Article by Carlo de Risio: "The Army's New Face"]

[Text] The Italian army is on the eve of a second restructuring, after that of 1975, whose distinguishing characteristic was the abolition of regiments and the adoption of the brigade, an intermediate unit between battalion and army corps, and number 24 in all, as the principal operational "player." The program "cuts" are of considerable extent, in order to adapt allocations to needs and to "save" or regain around 20,000 men in 2 to 3 years. What, then, is the new face of the army, especially the "field" army?

First of all, the armored-division commands Ariete [Ram] and Centauro [Centaur], the mechanized divisions Mantova and Folgore [Lightning] (not be be confused with the parachute brigade of the same name), and the Trieste Forces Command, will be dissolved. Here we may recall that Ariete, Mantova, and Folgore form part of the Fifth Army Corps (Vittorio Veneto), and Centauro of the Third Army Corps (Milan). The latter corps, which until now has been the weakest, will be assigned the Brescia and Trieste motorized infantry brigades, drawn from the Mantova and Folgore divisions, respectively. No restructuring is planned for the Fourth Alpine Army Corps (Bolzano), composed of five brigades: Julia, Cadore, Tridentina, Orobica, and Taurinense.

The Rapid Intervention Force (RIF) represents a special "novelty," for which a division-level command is planned. The RIF, with a structure presently formed by some battalions of the Paratroop Brigade and of the Friuli mechanized brigade, plus support and service elements, is to become, according to the general staff's intentions, an "interservice" unit: in fact, the San Marco marine infantry battalion--with its transport--will join it, while the Air Force will furnish the glider troops of the 46th Air Brigade. The RIF has been conceived for speedy deployment in the metropolitan territory and also in the Mediterranean region, in light of recent "emergencies" (Lebanon I and II, Sinai, Suez Canal). As a general principle, the other "cuts" foresee the dissolution of the divisional artillery commands, of some "obsolete" artillery formations, of divisional light air-defense units, and of artillery and engineer units still at the regimental level. The artillery arm will be reorganized in a more unitary and functional way. The plan in fact is to regroup the heavy artillery at the army corps level: although not taking that designation, this will amount to actual artillery brigades, in 5 to 7 groupings. Again, to give the army corps a more definite logistical shape, the engineer and communications commands will be strengthened. Further, the creation of an overall command for the army's excellent light aviation is planned for each army corps. More delicate, for their "political" and regional implications, are the decisions on the archaic or otherwise nonproductive infrastructural elements. It is certain, in any case, that the territorial-army organization will be affected, through the progressive elimination--to the point of complete absorption or by "starvation"--of some depots, districts, medical facilities, and production facilities. If the "pruning of deadwood" must take place, it is necessary that it hold for all alike, although it is predictable that the general restructuring plan will not fail to call forth complaints in circles both wearing stars and not wearing them. This is about what the defense minister himself, Senator Spadolini, foresees.

In this respect, it would be worse than unjust to deny that, with the White Book on Defense and with the definition of the five interservice missions, a substantial step forward has been taken toward making Italian military thought on the present geostrategic situation (which is no longer confined to the northeast land border alone) "comprehensible," and not just to experts in the field. The most recent (and all-too-current) tensions have enveloped the Italian peninsula from the south, sounding a preemptory call for a "seaward front."

From this standpoint, which is clearly the dominant one, it would be madness for the "interservice" commitment not to continue with a truly consistent, and not just an episodic, thrust and, above all, for the "traditional rivalries" among the armed services not to be buried forever (as a typical example, the one about naval aviation). The Army, which is the senior service, is confronting a second restructuring in 11 years, at no small sacrifice. It is a matter of further clarifying the concept of "defense," which is still in need of further "adjustments."

[Box, p 22]

But It Is the "Field" Army That Is Changing

In accordance with the 1975 restructuring, the Ariete armored division came to be formed from the Mameli and Manin armored brigades and the Garibaldi motorized infantry brigade. With the abolition of the divisional level, the Manin brigade is to be the one to change its name to Ariete, thus perpetuating a tradition of almost half a century, since (without wronging anyone) Ariete is synonymous with great prestige, even abroad. The Centaruo armored division will also be abolished. It had until now been composed of the Curatone armored brigade and the Goito and Legnano motorized infantry brigades. In this case, the Curtatone brigade is to be the one to inherit the Centauro name.

The abolition of the Mantova mechanized division will entail a more substantial restructuring. As it was composed of the Pozzuolo del Friuli armored brigade and the Isonzo and Brescia motorized infantry brigades, the higher echelon--the Fifth Army Corps--will cede this last-named unit to the Third Army Corps. The Isonzo brigade is to assume the name of Mantova. The same holds for the Folgore mechanized division, composed of the Vittorio Veneto armored brigade and the Gorizia and Trieste motorized infantry brigades, with the Amphibious Forces Command ("Lagunari" ["Lagooners"]) also among its subordinate units. The Trieste brigade will be assigned to the Third Army Corps, and the name Folgore is to remain the sole prerogative of the paratroopers.

With respect to the Trieste Forces Command (at the divisional level, and equally slated for dissolution), three motorized infantry battalions, a field artillery group, and a training company are stationed in the capital of the Venezia Giulia region.

13070/13046
CSO: 3528/121

NAVY SHIPS INVESTIGATE POSSIBLE SUBMARINE SIGHTING IN FJORD

Oslo AFTENPOSTEN in Norwegian 28 Apr 86 p 7

[Article by Bjorn Olsen: "Pilot of Small Aircraft Saw 'Possible Submarine' in Inner Hardanger--Starting to Dive"; first paragraph is AFTENPOSTEN introduction]

[Text] "The object had a speed of 18-20 knots, and it disappeared from the surface immediately when the aircraft flew over. I got a short glimpse of it, and 20 seconds later we could see disturbed water where a large object was diving. It was neither fish nor fowl that we saw from 600 feet over Hiss Fjord in Hardanger."

That was said by the 37-year-old Gullfaks engineer Knut Inge Dronen from Fitjar on Stord. Dronen was the pilot on board a Cessna 172 with three work colleagues enroute from Voss to Stord. At 2040 Friday evening the aircraft went down toward a power line span from Jondalen across the inner part of Hardanger Fjord.

"Immediately after we passed the span I caught a glimpse of the unknown object at high speed on the surface headed out of the fjord. I called the attention of the others in the aircraft to what I had seen on the water directly under the aircraft. After a maneuver in the air, when we again caught sight of the object it had gone under. We could see the wake of a large object diving for about 150 meters. That lasted for perhaps 20 seconds, and all on board agreed that we had seen a submarine and periscope disappearing in the water," said Dronen to AFTENPOSTEN.

He said that it was almost a flat calm on the fjord, with "the visibility more than 10 kilometers." On landing at Stord Dronen phoned in a factual report to Haakonsvern in Bergen. Today the engineer is annoyed that he possibly missed out on the photograph of the year. His camera was ready for use in the cockpit, but nobody remembered it in the decisive seconds over Bonde Sound in the inner Hardanger Fjord.

Navy ships arrived at the place several hours later, but as no contact had been made with the object by Saturday afternoon the search was reduced. The Commander of Naval Forces in South Norway, Rear Admiral Rolf E. Pedersen, called Dronen's observation reliable. The decision to reduce the search effort in Hardanger Fjord was made after a total evaluation of the situation.

The NRK [Norwegian Broadcasting System] in Hordaland reported Saturday that another pilot of a small aircraft earlier in the week saw something that he thought was a submarine. There was uncertainty as to whether this could possibly have been a Norwegian or an allied submarine.

9287
CSO:3639/104

NATO EXERCISE REVEALS DEFICIENCIES IN MINE SWEEPING, SIGNALS

Oslo AFTENPOSTEN in Norwegian 29 Apr 86 p 4

[Article by Liv Hegna: "Norway Lacks Enough Minesweepers"; first paragraph is AFTENPOSTEN introduction]

[Text] Norway's ability to sweep mines in its own waters is insufficient. And furthermore Norwegian ships no longer listen well enough on the emergency radio frequency. This was shown by experience during the recently concluded NATO exercise in Naval Control of Shipping. AFTENPOSTEN learned this from Captain Oystein Hoel, who is the commander of the Naval Operations Center in the headquarters of the Commander North Norway Defense Command.

The exercise lasted 10 days and included about 100 Norwegian ships and 90 called-up conscripted crews in addition to the Navy regulars. The introduction of the so-called NMT [Nordic Mobile Telephone] was apparently the cause of a number of communications problems during the exercise.

From the NATO viewpoint the supply lines across the Atlantic will be among the highest priority areas for defense efforts. The tasks for the Norwegian Navy will probably be concentrated on control and protection of civilian tonnage being used to transport supplies from south Norway to north Norway, from one end of the country to the other. It happens that 90 percent of the resources are located in the south, while the greatest defense efforts will probably be needed in north Norway.

E6 and the railroad to Bodo are vulnerable lines of communication, and the defense forces will therefore rely heavily on sea transportation.

The recently completed naval exercise was a part of the NATO exercise "Sea Supply." Combined with the exercise "Med Supply," practically all of the NATO merchant ships have been exercised this year. The advisor to the Chief of Defense for Naval Control of Shipping, Captain Reidar O. Stolpestad, told AFTENPOSTEN that 6,000 merchant ships are involved in the plans for naval control of merchant shipping. Stolpestad emphasized that despite the large amount of foreign registry of Norwegian ships recently, Norway is still very high in the number of merchant ships which can be reported to NATO for transporting supplies by sea in case of war.

Stolpestad also said that such an exercise in naval control of shipping is good for the Navy's regular and conscripted manpower, and also for the merchant crews, who learn about such things in Seaman School, but seldom get any experience with them. "Therefore we send our people on board to give orientations on what the ships must do," said Captain Stolpestad. He emphasized that the Defense Department would hold a symposium during May in order to draw out all the lessons learned during the NATO exercise.

9287
CSO:3639/104

DEFENSE MINISTER: NAVY UNABLE TO AFFORD SHIPS OFF FINNMARK

Oslo AFTENPOSTEN in Norwegian 17 Apr 86 p 3

[Article by Thorleif Andreassen]

[Excerpt] The Defense Ministry cannot afford to keep a ship permanently stationed off East Finnmark after KNM "Vadso" was taken out of active service last year. Defense Minister Anders C. Sjaastad, answering a question in Storting yesterday, said that an effort would be made to take care of that ship's duties through more frequent trips in the area by naval and coast guard vessels.

Sjaastad was answering a question from Karl Erik Schjott Pedersen (Labor), who stressed the increased strategic and economic importance of northern ocean areas.

Officers

The defense minister expressed a hope that eventually the armed forces will be able to offer so many benefits that the loss of personnel will come down to a level that is more acceptable than it is today. He assured Magnar G. Huseby (Conservative) that both the Defense Ministry and the Defense High Command regularly evaluate various special measures for officers, measures that to some extent can offset the disadvantages of serving in the armed forces.

6578
CSO: 3639/103

ALLIED CONTROL OF NORWEGIAN SEA VITAL FOR COUNTRY'S SECURITY

Oslo AFTENPOSTEN in Norwegian 18 Apr 86 p 3

[Op Ed Article by Finn Sollie: "The Norwegian Sea and the Balance of Power"; first paragraph is AFTENPOSTEN introduction]

[Text] Unless Norway's allies can adequately offset the naval threat in the Norwegian Sea, Norway will be more exposed in wartime and have a weaker position in peacetime than ever before in its history, Finn Sollie writes. For many years Sollie was research leader at the Fridtjof Nansen Foundation and now he heads his own research group, the Perspective Group for Arctic Issues.

The expansion of the Soviet naval forces operating out of the bases on the Kola peninsula and the need for measures on NATO's part to meet this challenge have turned the spotlight on the Norwegian Sea with the debate on military measures and their possible effects. Today only the American Navy is capable of balancing the Russian naval forces and preventing Soviet dominance in the Norwegian Sea. Therefore the debate has been especially intense in the United States and, of course, in Norway where people are directly affected by developments in nearby ocean waters. But NATO's mutual security interests are also affected by the balance of strength in northern waters.

In the American debate the question of the Norwegian Sea is one element in a far broader discussion on the role, size and composition of the navy. There the need for increased strength in the Norwegian Sea is an argument for a general buildup of the navy in order to offset the fleet expansion that has been occurring on the Soviet side for the last few decades and is still being stressed.

Norway's Security

In Norway, naturally enough, the discussion has focused on the special problems the situation in the Norwegian Sea can create for Norway's security. Here it is claimed on the one hand that the danger of Soviet dominance is so great that steps are needed to prevent the Soviet Union from being able to cut Norway off in wartime and to subdue Soviet pressure and intimidation in peacetime. To achieve this, naval readiness must be strengthened and that can only be achieved through an increased American naval presence in the form of exercises and patrol operations in the Norwegian Sea. On the other hand it is said that expanded American naval activity can be regarded as a threat by the Russians and might provoke Soviet countermeasures that would increase tension and make Norway's situation even more difficult.

The situation for Norway is difficult and uncomfortable, while at the same time there is little or nothing Norway alone can do to reduce the threat and diminish tension in the region. It may be called the Norwegian Sea, but we are not talking about Norwegian territory. The law of the sea gives Norway the right to resources in the water and on the continental shelf in a large part of the Norwegian Sea, but passage there is still unrestricted. This also applies in a military context.

The military importance of the area is based on conditions and interests that Norway does not control. Here Norway's own security situation is determined by international developments and not by Norwegian policy. A realistic assessment of the situation and measures taken there must occur within a framework created by international strategic interests that Norway does not control but that are decisive for the situation in which the country finds itself.

Neutrality

When Norway acquired control over its own foreign policy in 1905, it was assumed that the best way to avoid involvement in the moves made by the great powers was to avoid being active in the area of foreign policy. Political and military neutrality would protect the nation's security. For a while this policy was successful and it paid off after World War I when the great powers decided to recognize Norwegian sovereignty over Svalbard, because it was felt that Norwegian supremacy and Norwegian neutrality would keep the islands safe from international political power plays. As extra insurance, the Svalbard Treaty of 1920 banned naval bases and fortifications on the islands.

Influence

Even so it was World War I that revealed a power structure and a war technology that would influence developments throughout the century and would make it impossible for Norway to defend its security by means of neutrality. Throughout the century there have been conflicts and tension between a domineering continental power on the one hand and coastal nations that are not strong enough to engage in a war against the continental power without massive supplies and reinforcements shipped in by sea on the other. The role of North America, and especially the United States, as a supporter of the Atlantic coastal nations in Europe made naval warfare and the battle over supply lines decisive for the outcome of a war in Europe. This made control over coastal areas and bases for the battle of the Atlantic a vital element in waging war. What this meant for Norway was demonstrated in World War II--the German submarine bunkers in Bergen and Trondheim are permanent reminders of the loss of the nation's security policy innocence.

More Exposed

Norway's exposed position in the new power picture was not changed by the defeat of Germany and the emergence of the Soviet Union in the role of dominant continental power in Europe. On the contrary, with the shift of the continental power center from Berlin to Moscow, Norway's position became even more exposed. The Soviet Union is cut off geographically from the open sea and the battle over the Murmansk convoys showed the importance Norwegian areas can have for safeguarding the line of communications between northern Soviet ports and the Atlantic Ocean.

Soviet Demands

Soviet strategists were concerned about the need for free access to the open sea and in November 1944, before the war was over, the Soviet Union demanded that its ally, Norway, relinquish Bjornoya, agree to joint Norwegian-Soviet rule over Svalbard and allow both countries to have troops and military facilities there. The Norwegian government in London felt pressured by circumstances--among other things, Soviet troops had started to liberate Finnmark--and indicated its willingness to make big concessions. The main reason why the demands were not met in practice is that the Svalbard Treaty involved other countries in the area and they could not be expected to accept changes in the status of the islands that would be counter to their own interests. Soviet control and the militarization of Svalbard were not just a question of Norwegian concessions but a threat to the very balance the treaty was intended to safeguard.

With the naval expansion that was carried out after the war and that is still going on the Soviet Union became a great naval power and the North Fleet that operates out of the Kola bases is a formidable threat to the supply lines of the Atlantic states and thus to the whole balance of power in Europe. At the same time the development of strategic submarines with long-range nuclear weapons that can strike targets in the United States from positions in northern waters caused the ocean areas around Norway to assume great and perhaps decisive importance in the direct nuclear balance of terror between the Soviet Union and the United States. This means that if war broke out, control of the Norwegian Sea could be decisive to the outcome.

For Europe, the United States and the Atlantic alliance this is a critical problem. For Norway this does not just mean that Soviet control of the Norwegian Sea would cut off supplies and reinforcements being sent here, it also means that securing control over Norwegian territory could be an important and early war goal in a situation where the Soviet Union feels a need to open a route to the Atlantic Ocean or wants to establish a secure buffer zone for its strategic submarines. Due to the role the Norwegian Sea has acquired in the international balance of power, developments there have assumed decisive importance for Norway's own security in a way that makes it impossible for Norway to protect itself from the threat without assistance.

In practice this means that if Norway's allies--and in this context we are primarily referring to the United States--are unable to adequately meet the naval threat in the Norwegian Sea, Norway will be more exposed in wartime and more vulnerable to political pressure in peacetime than ever before in its history. To the extent that the ability to counter the threat in the Norwegian Sea is decisive for Norway's own security it will also be a primary interest for Norway to have a pronounced and adequate allied naval presence there. The alternatives to security through sea control are considerably increased defense preparedness on Norwegian territory or a loss of security.

6578
CSO: 3639/103

BRIEFS

MILITARY ORDERS AMMUNITION, COMMUNICATIONS EQUIPMENT--(NTB)--The Defense Ministry has approved a contract between the armed forces and Raufoss Ammunition Company. The contract involves various types of ammunition and is worth 77 million kroner. Delivery will be made in the period 1986-88. The ministry also approved a contract between the navy supply command and LM Ericsson of Sweden for delivery of communications equipment for target data receivers. The contract is a supplement to earlier contracts and the total value is now around 37 million Swedish kronor. The equipment will be delivered by 1989. The army, the home guard and the air force will purchase knapsacks from Cato Ringstad, Inc. in Halden. The contract is for 14,000 knapsacks and is worth 6.4 million kroner. [Text] [Oslo AFTENPOSTEN in Norwegian 17 Apr 86 p 43] 6578

CIVILIAN PILOT TRAINING PROGRAM--Torp Air Base near Sanderfjord will be the site of a new civilian pilot training school if Storting goes along with the proposal made by the Defense Ministry. It will cost 25 million kroner to set up the school, but the ministry believes it will reduce pilot flight from the air force from 80 to 50 percent of the pilots trained each year. Lieutenant Colonel Herman Stern did the preliminary work on the proposal. He recommended that basic pilot training on single-engine planes and advanced theoretical training be carried out in Norway. Advanced flight training would take place in Sweden, according to the publication FORSVARETS FORUM. This school would accept 140 students from the Nordic countries. Norway has a quota of 40 students. [By Liv Hegna] [Text] [Oslo AFTENPOSTEN in Norwegian 18 Apr 86 p 12] 6578

CSO: 3639/103

IMPORTANCE OF BALTIC OUTLETS FOR NAVAL DEFENSE STRESSED

Stockholm UNDER SVENSK FLAGG in Swedish No 3, Mar 86 pp 4-7; 17

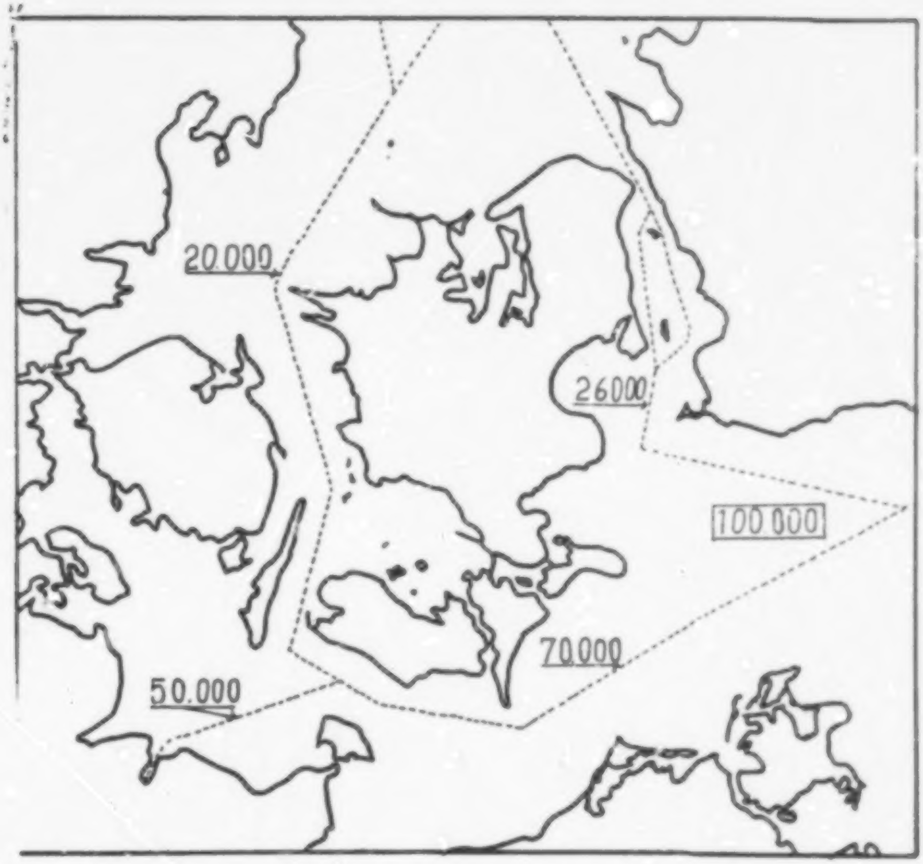
[Article by Captain Christer Fredholm: "The Watchful Eye of the Navy on the Baltic Outlets"]

[Text] History unequivocally and clearly demonstrates the major importance of the Baltic Sea outlets primarily for the coastal states of the Baltic Sea but also for major powers in general. Control over the outlets has been intimately connected with supremacy at sea in the Baltic.

During the 16th and 17th centuries the Danes believed they could open and close the sounds at will. In the 18th Century the control over the sound played a major role for Denmark, Sweden and Russia, since the Baltic Sea was then a closed sea, barred to the warships and privateers of foreign powers. One example of this is that during the latter part of the 1700's Russia had a special Baltic squadron detached for the duty of watching the Baltic outlets. The dissolution of the armed Nordic neutrality pact in the early 1800's was the end of the epoch during which the Baltic Sea had been a sealed-off body of water.

Since the early 1800's Sweden has followed the practice which dictates that "sounds which link two parts of the open sea and which are used by international shipping may, according to international law, not be closed by the coastal states." The Swedish standpoint has been that the commercial and naval shipping of foreign powers should have the right to free and harmless passage through Oresund, both during general peace and during war between foreign powers, when Sweden is neutral. That principle was laid down with the creation of the so-called Oresund treaties in 1857, when customs duties in Oresund were also abolished. It was established at that time that harmless passage through Oresund and the Belts must not under any circumstances be prevented or delayed. This important document of international law is still valid today. Harmless passage means that the calm, order and security of the waterfront nations may not be disturbed.

The international significance of the Baltic outlets was confirmed in both World Wars I and II. At that time the German Navy laid extensive minefields



The picture shows what the Maritime Surveillance Center has to monitor. The figures indicate the number of ship passages in the Baltic outlets in 1 year.

in southern Oresund, in both cases without respecting the Swedish territorial limit at sea--at that time 4 miles. With that, as well as in connection with the border violations that took place in Oresund, the Swedish neutrality policy was subjected to severe strain. As a result of World War II, the military-strategic situation in the Baltic Sea has changed politically, geographically and from the viewpoint of strength. The struggle for supremacy at sea is now conducted primarily between the two major power blocs NATO and the Warsaw Pact (WP). In a future conflict Sweden could lie as an island between the strongest conceivable military points of intersection. The route from the Baltic coast and Central Europe to the open waters of the North Sea and the Atlantic runs through Oresund and the Belts. The narrow channel of waters which we have outside the southern coast of Scania, and above all in Oresund, constitutes an important link in peace as well as in war.

waters which we have outside the southern coast of Scania, and above all in Oresund, constitutes an important link in peace as well as in war.

In the event of a conflict between the major power blocs it is likely to be in the interest of the Warsaw Pact at an early stage to hamper NATO sea transports across the Atlantic. For this reason, and since the principal portion of the Soviet shipyard resources is situated on the Baltic Sea, it is necessary to control the Baltic outlets for use in naval warfare in the Atlantic.

NATO, which today controls 2 1/2 of the 3 outlets, naturally wants to prevent the WP from utilizing the Baltic Sea and the Soviets from having free passage in and out of the Baltic Sea for repairs and maintenance, for example.

It is evident, above all from the extensive exercise activity constantly under way near our territorial limit at sea south of Scania, that both major power blocs have a great deal of interest in the Baltic outlets. During 1985 NATO and the WP carried out no fewer than about 30 national and pact-related exercises within this large area. To this is added the large number of passages in and out which take place through Oresund and the Belts. During one month in the summer of 1985, for example, nearly 90 passages of ships belonging to the Soviet state, the majority of them warships and among those 12 submarines, were recorded. Eleven of these submarines passed through Oresund. The passages took place in connection with a major Soviet exercise in the Atlantic.

Naval activity in the Baltic Sea today clearly shows that the interest of the major powers in Oresund and the Baltic is not historically conditioned but has a real military-political background. There is every indication that it will continue in this manner for the foreseeable future.

The area of open sea south of Scania has been considerably reduced by the fact that the GDR on 1 January 1985 expanded its territorial waters to 12 miles. Consequently, there is less room for NATO exercise activity, something that has increased the risk of violations of our territory.

Both NATO and the WP have long been monitoring shipping in and out of the Baltic Sea. Warships from the navies of the WP countries are constantly anchored just outside our territorial limit south of Trelleborg in order to follow and report on what is happening. Other units are lying in the Fehmarn Belt and in the Cadet Channel.

Continuous intelligence-gathering is undertaken by both parties in the area. Signal reconnaissance ships, warships and aircraft gather information on the activity of the opposite party. The intelligence actions of foreign powers are even aimed against our activity.

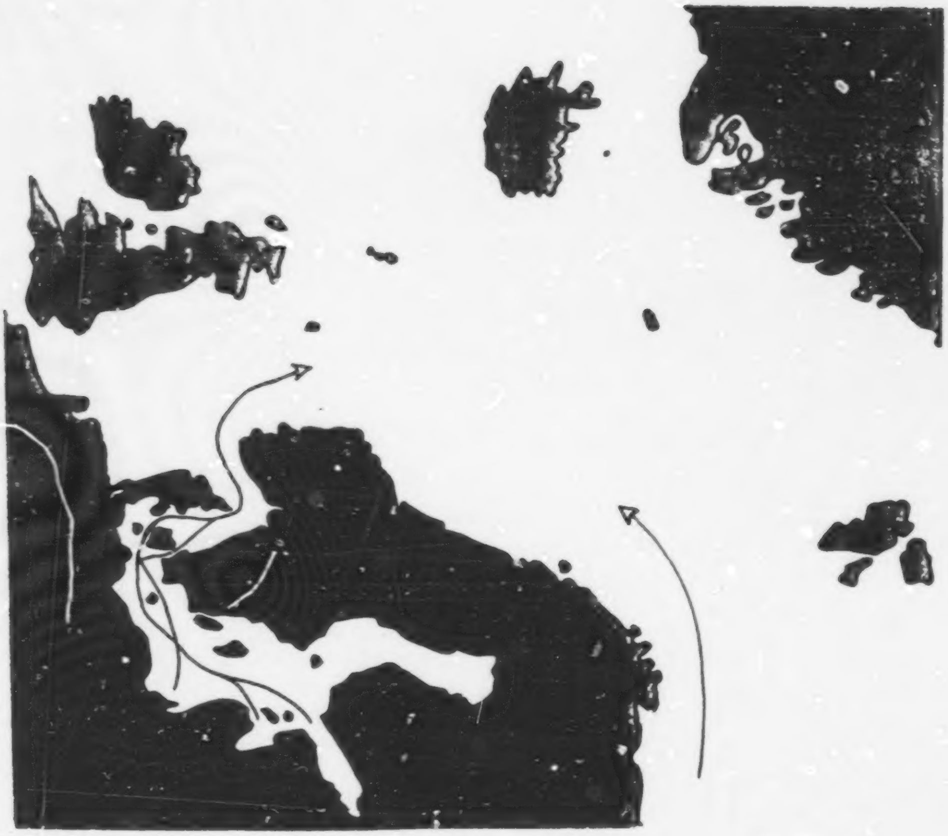
Sea Traffic Through Oresund and Southern Scania

Oresund is one of the world's busiest international channels. The volume of ship traffic is equal to that of the English Channel, for example. More than 25,000 ships pass through the sound each year and there are 140,000 passages across the sound. Warships and ships belonging to states from both East and West often pass through the sound--about 1,000 annually. South of Scania, where the traffic from Oresund, the Belts and the Kiel Channel is funneled, the number of ship passages amounts to nearly 100,000 per year. Against this background of intense traffic and extensive military activity around the coasts of Scania, it is not surprising that most of the incidents at sea occur in these waters. About 20 violations or unlawful passages take place here annually, which is nearly half of what occurs in the nation as a whole. All of the violations by surface ships which took place in 1985 took place within this region.

Military and Civilian Need for Naval Surveillance

In peacetime as well as times of crisis there is both a military and a civilian need for monitoring the intense sea traffic in and around Oresund and the Baltic outlets. The military commander of the Southern Military District has commissioned the chief of the Malmo Naval Surveillance Area to conduct continuous surveillance at sea in Oresund and along the southern coast of Scania, as well as to intervene when necessary against violations, unlawful passages and other transgressions of our access regulations. By comparing the actual picture with a so-called normal picture, changes in the traffic pattern can be read, which in turn can lead to increased preparedness. One measures the temperature in the area, so to speak. Other duties are keeping tabs on training activity in the vicinity of Swedish territory, gathering intelligence and by means of escorting, for example, following ships belonging to foreign nations during their legal passage through Oresund.

But other authorities as well are interested in effective surveillance. The Customs coast guard needs to be able to monitor the situation at sea in order to discharge its duties. Examples of this are surveillance of the fishing zone, supervision of commercial fishermen, monitoring the traffic separation in effect at the time and fighting smuggling, for instance in the growing narcotics traffic across the sound. The coast guard also has important duties involving protection of the sensitive marine environment. Another important duty is to obtain basic material for commanding rescue operations at sea. Although to a lesser extent, the National Administration for Shipping and Navigation also has an interest in monitoring for the purpose of duties such as following environmentally hazardous cargoes through Oresund. As has been shown, surveillance of the Baltic outlets is not only a concern for the Navy but affects purely civilian authorities as well. It is therefore natural that surveillance and communications functions should be integrated and coordinated by these authorities.



The Baltic outlets seen through Soviet eyes.

The Malmo Tests

In order to study the preconditions for increased coordination of surveillance in Oresund, the government in 1981 gave the Office for Administrative Rationalization and Economy a special research task. This resulted in a special test activity, the so-called "Malmo tests."

The experience was favorable, and in December 1984 the government decided that a joint information center for marine surveillance should be organized in Malmo from 1 January 1985 with the participation of the Navy, the Customs coast guard and the Shipping and Navigation Administration. Operational responsibility for the facility was given to the Navy, which was to employ and train another three marine surveillance assistants, all of them former career officers in the Air Force. During 1985 the Maritime Surveillance Center was rebuilt and expanded, at the same time as a number of new radar stations were added to the maritime surveillance system. On 27 November the Navy chief and the commissioner for the Board of Customs dedicated the maritime surveillance center "Malmo Maritime Center," jointly operated for the Navy, Customs Office and the Shipping and Navigation Administration.

The center is manned around the clock by marine surveillance assistants as well as 12 conscripted surface observers. At the center shipping movements from the Bornholm narrows to the southern Kattegat are followed with automatic equipment. The system plots the information on radar and television screens and can record up to 400 ships simultaneously. The information is stored in computer memories and the opportunity exists for going back about a month and studying how a certain target has moved.

The Maritime Surveillance Center also has good capacity for commanding both customs and naval units. For example, it is possible to transmit target data to Navy ships at sea. Recently, civilian air reconnaissance radar was also connected with the Marine Surveillance Center, which enables monitoring of military and civilian air traffic. The new Maritime Surveillance Center and the implemented coordination have worked out well, even if there has been lukewarm interest on the part of the Shipping and Navigation Administration. Both civilian and military surveillance has improved, as well as the command capability. The next step in the coordination between the coast guard of the Customs Office and the Navy should be better joint utilization of the ship resources.

Identification and Ship Resources Insufficient

All is not well, however. An important part of the surveillance system is resources for identification and for intervention during violations or other transgressions of our access regulations. At present these resources are insufficient both with respect to quantity and quality. The naval surveillance radar stations lack the capability for identification, and ships at sea and aircraft are therefore needed in order to give the hundreds of targets which appear on the radar screens an identity. For identification from aircraft the Navy previously shared with the Customs coast guard aircraft based at Sturup. This was of great value for the identification activity. The aircraft was destroyed in a crash in August 1984, however, and has not yet been replaced. The coast guard is soon to receive new coast guard aircraft, and it is very important that one of these will be based at Malmo.

A good example of military cooperation across service branch boundaries is the cooperation with the Flight Training School at Ljungbyhed. SK 60 aircraft suitable for the task undertake reconnaissance and identification flights for the Maritime Surveillance Center during their regular passes. The pilots are qualified and their identification capability is good.

Despite the good cooperation with the Customs and the Air Force, ships are needed for continuous monitoring of ship movements around Scania. Ships are needed in darkness and poor visibility and when flight activity is suspended for various reasons. They must also be able to intervene during violations and when it is required escort foreign state ships moving in Swedish territorial waters in Oresund. In connection with foreign military exercise activity they must be able to demonstrate a naval presence in our immediate vicinity.

Added to these important duties is also that in a crisis situation, as well as in wartime, the ships are to be utilized for pure combat duties. In several presentations both the commanding general and the chief of the Maritime Surveillance Center have brought the existing shortcomings to the attention of the supreme commander, but other priorities and the lack of ship resources have not allowed for a return to the order which existed before.

The southern Baltic, along with Oresund and the Belts, occupies a major place in the Swedish security policy. This refers to both peace and war, as well as to crisis situations. During a conflict between the major powers the Oresund region, being a part of the Baltic outlets, is likely to attract the interest of the major powers at an early stage. It is therefore necessary to anticipate early in the introductory phase of a conflict that the number of incidents in the area will be extensive and serious. A crisis development may even originate in that area.

The right of neutrality demands that the neutral state protect all units legally appearing in the neutral territory. If foreign warships make use of the right to pass Oresund in Swedish waters, neutral Sweden is obliged to protect them.

Each measure or failure to act will be carefully noted by both major power blocs. This imposes great demands for effective surveillance, rapid decision-making and good capability for intervention during violations. It also demands a great deal of leadership capability and good knowledge of international law. Accordingly, the decisions taken may be of the greatest significance for our ability to stay out of a war. It could thus be stated with some justification that the most important and most difficult tasks of the Maritime Surveillance Center are in peace and in times of crisis. Against this background it is important that the preconditions for surveillance have been improved through the expansion and coordination which has now taken place. The opportunities for identification and intervention at sea are still insufficient, however. It is therefore desirable and essential that the conditions in Oresund and around the Baltic outlets should be the focus of special attention before the 1987 defense decision.

The supreme commander is of the opinion that the importance of the Baltic outlets to the power blocs has not been sufficiently illuminated by the 1984 Defense Committee. The position of the Belts and Oresund as international channels give the region a special importance even in the early phase of a crisis development. In wartime the area is of major importance above all in air operations, but also in land operations--meaning from Danish territory--for the purpose of influencing military operations in Central Europe. Today NATO occupies a favorable initial position for this. Challenging NATO for these advantages is likely to be important to the WP. From the aspect of naval operations, the area gains significance--as indicated by the committee--primarily during a prolonged war. However, dealying operations against the Baltic outlets until it turns out that an initiated war will become protracted could be connected with significant disadvantages. Hence, it is for several reasons and in varying stages of a conflict that this part of the Nordic region is of major importance to the power blocs. That could result in military operations being initiated early on in a conflict for the purpose of gaining control over the area.

11949
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INCREASE IN FRENCH-SPANISH TRADE FORESEEN

Paris L'USINE NOUVELLE in French 3 Apr 86 pp 83-85

[Article by special correspondent Vincent Nouzille in Spain: "Selling in Spain: The New Deal"]

[Text] Tariff disarmament, elimination of quantitative restrictions on imports, replacement of several taxes by value-added tax...the Spanish market is becoming more and more attractive. It is a new deal, one which should further strengthen the French presence on the Peninsula.

Since 1 March the customs duties applicable to trade between Spain and the 11 other members of the EEC have been reduced by 10 percent. Thus the base tariff of 20 percent has been reduced to 18 percent, in the first of eight phases of customs disarmament scheduled under the treaty of Spanish adherence to the Common Market. The long march will go all the way to 1993. In other words, one must not expect extremely rapid changes, particularly since the Madrid government has said it is prepared to invoke the "escape clauses" if imports of certain products increase too rapidly. It has just done so, with the blessings of the European Commission, in the case of steel products, imports of which had increased to the point where they were threatening Spanish steelmakers. It might take similar measures to protect itself against an invasion of textile products from the Community.

But add to customs disarmament the elimination of quantitative restrictions on imports (except on 10 sensitive products) and the replacement of multiple taxes by value-added tax, starting on 1 January, and it is clear that a new era has begun for the Spanish market. In concrete terms, if product X was subject to 40 percent import taxation (20 percent customs duties plus indirect taxes), it will now only be subject to 18 percent, since the value-added tax can be recovered by the foreign exporter.

Over the next five years, France, which already has a significant presence on the Peninsula (1,300 French enterprises are already established), should certainly expect to profit from this new deal, by increasing its exports of agro-food products and equipment goods...if French enterprises, large and small, get their act together.

At the national level, it is becoming critical. Imports of Spanish products to France increased from Fr 30.7 billion in 1984 to 36.5 billion last year (+18.8 percent), while French imports increased only from 26.2 billion to 29.3 billion (+12 percent). The French deficit has thus increased from 4.5 billion to 7.1 billion. France, Spain's biggest customer, is only Spain's third-largest supplier, holding 9.3 percent of the market, behind the US (11 percent) and West Germany (9.6 percent).

France's primary exports to Spain are spare vehicular parts (6.3 billion), specialized vehicles (2.2 billion), informatics equipment (1.6 billion), raw steel, scrap iron and old metal (2.3 billion).

This rather narrow spectrum should be broadened. "New prospects are opening up for French products, both in the field of equipment--as a result of the industrial modernization under way--and in the field of consumer goods. The market is becoming more diversified, Spanish tastes are changing," notes Alain Hoyois, commercial attache at the French embassy in Madrid. The office of economic expansion has analyzed the major needs and identified those which France could readily meet. But the commercial attache adds: "Competition will be more lively. We must offer quality products, and above all we must invest in distribution, in fact get industrially established, to be sure of being able to exploit these markets in the next 2 or 3 years."

For the last several months commercial agencies in Spain have noted a very clear upsurge in interest, to judge by the number of visitors. For example Satam International, a subsidiary of the CGE group which manufactures gasoline pumps, has just commercially reorganized its Spanish subsidiary in order to profit from the probable installation of new distribution networks, following the dismantling of the CAM PSA monopoly. Similarly, the Eminence Company plans to increase sales of undergarments through supermarkets and "super-supermarkets," with 70 percent of the capital being controlled by French companies (Promodes, Auchan, Carrefour).

The French are launching numerous initiatives to acquaint small and medium-sized businesses with the Spanish market: chamber of commerce missions, participation in Spanish trade fairs and exhibits. Considerable success has been achieved through informational and trade-contact events such as those put on by the CFCE and the Ministry of Agriculture last September in Paris and last January in Madrid (wines and spirits); by the Permanent Conference of Chambers of Commerce and Industry of Southeastern France and Northwestern Spain (COPEF) last October in Toulouse; and by the ESC Lyon Group and Credit Lyonnais on 7 March. Another, organized by the Regional Agency for Development of Trade with the Iberian Peninsula (ARDEPI) in Bayonne on 6 March, brought together 130 enterprises grouped around several sectoral themes: furniture, wood, agro-food, corn, textiles, shoes and transport. The experts believe, for example, that an additional million tons of French corn could be exported from Bayonne, Bordeaux, Rouen and Port-la-Nouvelle.

Beyond these traditional promotions, several recent and promising initiatives should give new hope to exporters and heads of industries desirous of working in Spain.

--ARDEPI has developed an economic data bank on Spain called "COMESPA." It contains administrative formalities, specifications, the addresses of importers and the markets for 3,000 agricultural and agro-food products. Available through Minitel on an annual subscription basis (about Fr 3,000), COMESPA is kept continually updated thanks to the trade development offices in Spain and an agreement signed with the CFCE. Data on consumer and equipment goods is currently being gathered. The project should be completed by mid-1987.

--A Franco-Spanish venture-capital investment fund, Invespagne, is being put together. "The intent is to support the efforts to establish reciprocal small and medium-sized companies," notes one of its promoters, Anxton Lafont, the head of ARDEPI. On the French side, an initial fund of Fr 10 million has been accumulated--90 percent from French partners (Credit National, Societe Bordelaise de CIC, Compagnie Financiere de CIC) and 10 percent from Spanish entities (Banco de Vizcaya, Sociedad Bancaya de Promocion Empresariales) and nine regional banks. Simultaneously another fund will be established in Spain, with the proportions of the two investor groups being reversed. To complete the description of this unique scheme, a service company, Invespagne Conseil, has just been created in Bayonne, with the participation of the Chamber of Commerce. It will do the work of selecting and preparing projects. Some 20 proposals are already on the desk of its president, Jacques Saint-Martin. The French fund should lead to about Fr 40 million of investment.

The National Council of French Employers (CNPF) and the Spanish Confederation of Empresarial Organizations (CEOE) decided to join forces several days ago to establish a Franco-Spanish Business Cooperation Office, OFERE. It already has two branches, one at the CEOE in Madrid (headed by Rafael Gijon), the other at the CNPF in paris (headed by Paul Maravel).

The aim of OFERE is to "help enterprises of the two countries to get in contact with each other, in the hope of stimulating new cooperative ventures and the establishment of financial ties (joint ventures, stock shares, mergers, acquisitions, etc.)." In that connection, the French employers' and professional associations have just recently received a letter from Yvon Gattaz on behalf of OFERE enclosing questionnaires to be disseminated to their members. Requests and offers of cooperation, after review at the national level, will be sent to Madrid and disseminated to CEOE local and regional offices. "Our role will be confined to getting people in contact, for example with the expert advisers available to small and medium-sized businesses," explains Catherine Bazy, head of the southern European sector of CNPF.

Finally, French banks are becoming increasingly active participants in this "mobilization," which goes beyond our borders. According to a recent study by Peat Marwick, 3,000 foreign companies are going to invest in Spain over the next 5 years. They will all need financial advice and services, and hence bankers. The latter are getting prepared. For example Credit Commercial de France, established in Spain since 1983, has developed a commercial banking operation which has pushed it up from 30th place to the number eight foreign bank in Spain. "We scoured France in 1985 and met many enterprises interested in the Spanish market," says the general manager of CCF for Spain, Jose Antonio del Pino. The three offices, located in Madrid, Barcelona and Bilbao, offer French and Spanish enterprises "special service": commercial, juridical and administrative assistance in searching for partners, creation of companies, help in repatriating credits, financing of bilateral trade, short and medium-term loans, credits denominated in ECU's, etc. In addition to these traditional operations, the company in 1984 established a leasing subsidiary for the financing of real estate and non-real estate investments. And just recently a consultations subsidiary, CCF Service Financier, which will set up joint-venture operations, cooperative activities, etc.

CCF is evidently not the only French bank in Spain, since all the large banks are established there. Credit Lyonnais has for several years now been active in providing information to French enterprises. For its part the Societe Generale (which has four subsidiaries in Spain) brought together 200 Spanish importers and distributors on 10 March to meet with the Chamber of Commerce of Toulouse and the Regional Chamber of Agriculture, and in late 1986 will hold a seminar in Paris and organize a trade mission. Finally, the most recent example, Credit Agricole several months ago joined with Banco March in creating Hifrada to finance activities in the agro-food sector. There are so many support facilities and so many open doors that business can no longer ignore them.

9516
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DEHAENE COMMENTS ON BUDGET PROBLEMS, COALITION WORKINGS

Brussels DE STANDAARD in Dutch 8 Apr 86 p 3

[Interview with Jean-Luc Dehaene, Belgian minister of Social Welfare and Institutional Reform, by Hugo De Ridder: "Dehaene--I'll Do Everything Possible to See to It That Martens Succeeds"; in Zeebrugge; date and occasion not given]

[Text] Zeebrugge--Minister Dehaene looks out of his apartment right on to the harbor works of Zeebrugge, and on his wall he has hung a detailed map of what it is all supposed to look like eventually. He points with some Schadenfreude at the sore (Antwerp) spots in the project. He seems to be in fine form. The first days of the conclaves are past and have left him with a positive impression. The minister is willing to give us a cautious look at his cards in the first interview he has granted since the government took office.

First of all Jean-Luc Dehaene wants to clear up "the misunderstanding about Stuyvenberg." Politicians and public opinion are unhappy because the government is not getting on faster with its work. After the electoral victory under the slogan "no about-face," people evidently expected a fast start from the new government.

In fact, at Stuyvenberg we began by negotiating the basics and formed a totally new government, he says. Martens VI is not at all the same as Martens V. Half of the 15 ministers are new or have a different job: new as national minsters are Verhofstadt, Damseaux, de Donnéa, and Buchmann. Eyskens and Maystadt have changed jobs and De Croo has gotten a new responsibility. It might not seem so to someone on the outside but a minister with a new department to manage starts out as a "political virgin."

[Question] In 1981 the government was even more of a virgin but after 2 months it was already hard at work.

[Answer] I admit that this government--this new one, as I said--still has to go through its ordeal by fire. The Martens V cabinet was only able to build up its good reputation as a team governing skillfully above the parties after it had received special powers from Parliament. Martens VI now has to prove its political stuff. The breakthrough has to come before the end of June. By then the plan to put things back on an even keel has to have been talked through within the government and with the social partners. The test of whether we can carry out a coherent policy and form a real team as a government is coming now.

Politicians Aren't Bookkeepers.

[Question] In the meantime the ministers are beating their chests to show people how brave they're going to be, as Ludo Dierickx put it so expressively. But sometimes they also give their own colleagues' ears a cuff too.

[Answer] The contradictory statements made by some of the ministers, I attribute those to the growth process. But believe me, the plan that we're going to work out to set things straight will come as a big shock to public opinion as the devaluation in February 1982.

[Question] That kind of plan is not so hard to write down on index cards but how are they going to make it come true in real life?

[Answer] I set three conditions: 1) the plan must be technically correct; 2) it must fit into a general economic policy; 3) it must be politically feasible. So the measures have to be worked out correctly in terms of the effect they'll have, in net terms and taking side effects into account. So the first thing we'll do is to see that the 1987 budget is right. We'll just derive this year's budget from that one, as it were. The figures for 1987 have to be as accurate as possible. A number of political decisions that still haven't been made will have to be worked into it. I'm thinking here about the financing of the national sectors, the housing debts, the construction sector. A supplementary clean-up operation to deal with later "surprises" wouldn't be feasible politically.

It would, however, also be wrong to approach the whole operation as a purely technical problem. Politicians aren't bookkeepers. State finances and the budget don't exist in a vacuum. Any plan to put things back right has an effect on employment and purchasing power.

[Question] Since Stuyvenberg oil prices have fallen smartly. Will that make the operation easier?

[Answer] Yes and no. The reverse oil shock increases the chances of success, but it can give people false ideas. The first ones to profit from the phenomenon are business. They have to adapt to that in the areas of growth, investment, and employment. We have to do the reverse now of 1974-1981.

[Question] Can you be clearer?

[Answer] Well, in that period the government created roughly 150,000 jobs to make up for some of the 250,000 jobs that disappeared in business. Our plan to set things back right will include eliminating some of the employment now maintained at state expense. The reverse oil shock must make it possible for companies to absorb a large portion of what the government will drop. I still can't give you figures for that, but it will be a major operation. That's why the budget operation has to proceed in tandem with the social consultation. If the latter fails, the government will be ready with an alternative, which for instance will include Michel Hansenne's plan to combat youth unemployment.

[Question] To date we still haven't seen business adapting to the reverse oil shock. Other than for oil, prices are hardly falling, nor do we see large-scale hiring.

[Answer] It's only human that a rise in prices works through faster than a decrease in prices. But the preconditions are present to give the economy another powerful thrust: low energy prices, decreasing interest rates, and very low inflation. Now's the time for business to show us what it can still do, so that the government can reduce its compensatory effort since the first oil shock, without causing great social shocks.

Pension Savings

[Question] You just said that the operation to set things right also has to be politically feasible.

[Answer] What we've started on can succeed only if we can reach a political balance. Afterwards, that is to say, it shouldn't be possible to speak in terms of winners and losers. Everybody has to have been burned so that we're all obliged to defend it and carry it out coherently. You also have to be consistent. You can't, for instance, defend a large-scale operation to save money and in the same breath demand advantages for a certain category of citizens.

[Question] What do you have in mind?

[Answer] Tax advantages for pension savings, for instance. I don't have any objection to that at all but the time and manner in which it's carried out has to be compatible with the budgetary operation.

[Question] Will you be able to resolve this kind of political contradiction?

[Answer] Martens must succeed in his operation and I'll do everything to see to it that he does so. Indeed, from the first conclave meetings I find that the current team is up to it and that if it wins through, it'll show the same stability and forcefulness as the last one.

[Question] Has anything concrete already come out of the first talks?

[Answer] The preparatory work Budget Minister Verhofstadt has done is very important. The analysis of our expenditure mechanisms in particular will be very useful. He truly has not wasted any time. The toughest problem is that of the national debt. To be sure, we've been lucky in that connection with the reverse oil shock and the decrease in interest rates. Even so, we have to get to work on active debt management to gain the maximum profit. With Mark Eyskens' arrival various things have already been set in motion on that. People are no longer passive, and the experts group is working hard.

The National Social Security Service and the Tax Authorities

[Question] What's happening in your sector?

[Answer] I've already said that it would be an illusion to think that Social Security can escape the general clean up operation. The government subsidy to this sector amounts to 320 billion francs, i.e. 20 percent of our running expenditures. For myself I have set up four points of departure:

1) We'll have to take the aging of the population more into account. In the long run it's not possible to totally maintain the solidarity of those working with those not. In some sectors and particularly in health insurance it will also be necessary to build in this solidarity among those not working.

2) We'll also have to distinguish between what's essential and what's extra. To be specific, it doesn't, for instance, seem to me to be essential to provide a funeral allowance as part of the disability allowance.

3) We can't carry on fairly with our clean-up program if we don't build the income factor into our social system alongside the family factor. That demands intensive cooperation between Social Security and the tax authorities. We can do this in either of two ways. Either Social Security makes its data available to the tax authorities, so that the benefits can be taxed, or the tax authorities make their data available to Social Security, so that the benefits can be modified according to income level.

4) Finally, we'll be managing a number of expenditure machanisms better. A start has already been made on this in the hospital sector with the reduction in the number of beds, the drop in the number of days

spent in the hospital, and the envelope financing. We'll also be tightening up the administrative and medical controls for doctors, paramedics, and sick funds.

[Question] The cooperation between Social Security and the tax authorities will create a lot of opposition. First of all, this will be used as a roundabout way to increase direct or indirect taxes. In addition, there's a 2-year delay in finding out the tax situation. In the meantime those covered by social insurance may already be under completely different regulations.

[Answer] Any measure will create opposition. However, I don't think our partners see a revision of the taxes on make-up income as falling under the ban on new taxes. Additionally, of course we have to build in corrective mechanisms to take care of the time difference between taxes and benefits.

[Question] The budget conclave, it seems, will go on for a while yet.

[Answer] To be sure, but I'm not going to let them get my goat; they won't get on my nerves with comments that we're not getting on with it fast enough. We've got to succeed, that's the most important thing.

[Question] Still, the criticism that this year's budget still hasn't been submitted is not unfounded.

[Answer] I have a suggestion to make up for lost time. In May why not submit the General Explanatory Notes for the 1986 and 1987 budgets (in two documents) along with the revenue budgets for those two years? The Chamber and Senate would be able to discuss and approve them before the recess. In the fall then we could submit global expenditure budgets with one big Parliamentary debate on the whole. In this way we could get away from the inflexible procedure of having a budget debate for each ministry. Those debates could be held separately in the committees with the appropriate minister. In this way all the budgets for 1987 could be approved before the end of the year. There certainly wouldn't be any less Parliamentary control. For that matter, I've had to defend my budget before Parliament 5 times now and I can't remember ever having had to change anything as a result of the Parliamentary debate.

12593
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EMPLOYERS' CONFEDERATION NEW CHAIRMAN ONNESJO VIEWED

Stockholm SVENSKA DAGBLADET in Swedish 16 Apr 86 p 2

[Editorial: "Swedish Employers' Confederation Chairman"]

[Text] The Swedish Employers' Confederation [SAF] is getting a new chairman. Karl-Erik Onnesjo, chairman of the board of Holmens Bruk, has been proposed by a unanimous nominating committee.

Onnesjo's name has been mentioned before as SAF chairman. But he did not want to serve. Until 1984 he was president of his company, a job that required his undivided attention. After that he felt that due to his age the job should go to someone else.

Onnesjo now says that he will serve for a limited period of time. Behind that statement one detects the feeling that someone who is 66 years old is more or less coming to the end of his active life.

This reflects a common prejudice here in Sweden.

Gosta Bohman turned 66 a few months after he joined the nonsocialist government that was formed in 1976. Marcus Wallenberg turned 66 in 1965, 6 months before he completed the merger between Enskilda Bank and Skandinaviska Bank.

We should probably focus on the remark Onnesjo made when he talked about the length of time he intends to serve in the post: "Time will tell how long I stay on the job."

Several commentators have speculated that SAF will have a lower profile than before with Karl-Erik Onnesjo as chairman.

DAGENS NYHETER believes that the fact that Onnesjo served as undersecretary in the Trade Ministry in the early 1960's means that SAF will not "stress the differences between the public and private sectors."

AFTONBLADET said that SAF should "abandon its extreme politicization on the extreme right wing" and hopes that Onnesjo's selection will lead in that direction.

The hopes of both newspapers will probably be disappointed.

It is true that Onnesjo has a very solid background in public affairs. But he left for the private sector in 1962. In other words he left public life at around the time it started to develop in an extreme direction.

During the time that Sweden has been "extremely political," Onnesjo has viewed society from various positions in the private business sector. Most recently, as a representative of what is unquestionably the biggest consumer of electricity in Sweden, Holmens Bruk, he has been forced to live with the lack of planning and rationalism exemplified by Sweden's energy policy. Consequently he has led the incipient revolt against the energy policy that is emerging in the private sector.

It is far from certain that AFTONBLADET is right when it talks of Onnesjo as a "temporary solution" and views his selection as a step away from "conservative neoliberalism."

It could turn out exactly the other way. We may find that SAF has acquired a chairman who will stay on the job for quite a while. And on the basis of deep personal experience he knows the limits to public power and activity that are needed in order for society and industry to function well.

Onnesjo is better qualified than any other Swedish industrialist to point out that the "neoliberalism" of the 1970's and 1980's can involve a need to restore the balance between public and private sectors that most people regarded as wise and sensible in the 1950's.

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West Europe Report

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(Cato Guhnfeldt; AFTENPOSTEN, 5 May 86) 119

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SDP SUCCESSOR GENERATION LESS SYMPATHETIC TO U.S., EC GOALS

Copenhagen BERLINGSKE TIDENDE in Danish 28 Apr 86 p 12

[Commentary by "Monitor": "Debate: The Social Democratic Party's Picture of the World"]

[Text] The Social Democratic picture of the world and of Denmark's foreign policy is new, but it has roots in the past. It is reminiscent in many ways of the mentality of the Social Democrats before 1940 or 1949, but it has not survived as a strong tradition, and only a few from Anker Jørgensen's own generation share it. Monitor looks at some of the notions which must be common among the party's foreign policy leadership and concludes that only a change in leadership can provide hope of a return to a higher degree of realism in the party's foreign policy.

Leading Social Democrats think that they have a birthright to Danish foreign policy. It is not due in itself to any special foreign policy expertise, but due to the fact that the Social Democrats have been split in several of the decisive foreign policy voting situations in the last 40 years. When the party's leadership fell on the same side as the non-socialist parties in the NATO decision in 1949 and support of EC in 1972, it is believed that the non-socialists ought in gratitude to let the Social Democrats decide the more specific content of the alliance and market policy. If the non-socialist parties do not do this, the Social Democrats reserve for themselves the right to become insulted and go as they like together with the left-wing parties.

It is of course an unreasonable consideration to attribute to the Social Democratic Party greater influence than the non-socialist parties--for no party can be taken for granted and cooperation is necessary to form a majority; but an uncertain party is undeniably more exciting to observe than those parties which steadily stick to their course.

In recent years there has been much debate about the reasons for the Social Democrats' parting with their generations-old foreign policy. There has gradually been much to indicate that it is not only the battle with the Socialist People's Party regarding left-wing voters and the parliamentary tactics in the split Folketing that have been decisive--although these also are important factors. Still more central is the fact that a new foreign policy conviction characterizes the party's top. It is depicted first and foremost by Anker Jørgensen, and that it did not come out as far back as 1972 can be attributed to the fact that some viewpoints have slowly matured and have been sharpened, and that Krag's colleagues first gradually disappeared from the leadership.

How, then, does the new Social Democratic view look? What roots does it have and what effects will it have? It is not totally easy to present the picture of the world and of Denmark's position which the Social Democrats today take for granted, and numerous Social Democrats are now expressing themselves regarding foreign policy while others have been quite silent. If we disregard the slight differences, some of the following notions must be common among the party's foreign policy leadership.

The Social Democratic picture of the world is basically determined by ideology and principles. States, parties and people are rated in accordance with direct sympathies and antipathies. The sympathies are based not so much on an analysis of Danish national interests, but rather on the ideological statements and preferred social systems of those concerned. Our foreign policy interests can be best served by cooperating with parties and movements which with a little good will can be considered as parallels of the Social Democratic Party in Denmark.

The international system is regarded as unneccessarily strongly polarized, between East and West and South and North. But even in a superpower system the small country has considerable opportunities for influence. Denmark's role is the bridge builder, which in order to be credible as an intermediary must distance itself from its allies. In the East-West polarization, the USA and USSR are regarded in a way as equally guilty, and there is no sympathy for either of them. There is certainly symmetry in their position; but, however, the USSR is the weaker and more vulnerable and for this reason has a natural claim to consideration and parity. Modest learning provides good opportunities to interpret Russian conduct as rational and moderate and understandable. On the other side, the American policy seems aggressive, provocative and rather irrational and for this reason we have an obligation to criticize and instruct.

These opinions of the USA and USSR have consequences for the picture of the threat. The threat does not come from the Russians alone; it is rather a consequence of tension in the polarized system, and the tension is due just as much to American as Russian actions. Detente therefore becomes more important for security than determent by means of weapons systems and alliances. This holds true especially for nuclear weapons, which it is believed both involve the risk of war through technical error and increased tension as a consequence of the buildup process and the mutual threat. The removal of nuclear weapons will consequently be more important than maintenance of the balance between the blocs.

This has consequences also for the opinion of an alliance. Membership in an alliance is seen not so much as a guarantee--for the automatic controls in an alliance can always be questioned--but rather as a risk of being involved in other more irresponsible states' conflicts. Alliance membership also means dominance by the big allies, who demand loyalty and ask for reciprocity and participation in covering military costs. We must of course refuse to let others meddle in our own affairs, just as we must assert our right to criticize our allies' domestic and foreign policy.

Another element of this picture is the fear of challenging the adversary and thereby turning attention toward one's own country. This interestingly enough goes together with considerable confidence in the adversary's honesty. A Russian assurance of a nuclear-free zone is looked at readily, and the expectation is entertained--in spite of experience hitherto--that the Russians will not exploit Western arms reduction efforts to disturb the balance.

It leaves its mark on the negotiation strategy the Social Democrats think the West ought to follow. One should play with open cards, not be afraid of unilateral confidence-creating steps, not let the adversary's hostile actions disrupt negotiations, never punish with sanctions. Regardless of how the adversary reacts, one should be ready for concessions. This desired negotiation strategy is interesting, because it is contrary to all the elementary rules which anybody who has taken part in party or job market negotiations knows and uses. But it is also interesting because it does not at all correspond to the strategy the Social Democrats demand that Denmark use when we negotiate with our partners in NATO and EC. Here the strong emphasizing of Danish views is advocated, and one does not budge, as a rule, an inch from formulated interests. The unilateral prioritizing of detente between East and West makes the Social Democrats suspend the normal rules for negotiation and looking after one's interests.

The Social Democratic picture of the world and of Denmark's foreign policy is new, but it has roots in the past. It is reminiscent in many ways of the mentality of Social Democrats from before 1940 or 1949, but it has not survived as a strong tradition and only a few of Anker Jørgensen's own generation share it. More important is the inspiration from the new circles who are about to take over the Social Democratic Party as active members and as functionaries and who in education, occupation and attitudes are close to the typical Socialist People's Party voter. They have brought with them a legacy from the anti-nuclear campaign, from the Vietnam demonstrations, from the EC campaign and from the disarmament movements, which has certainly been moderated by their later experiences and their desire for influence, but which still is present as basic sympathies and notions of the world.

Their background is the foreign policy opposition, strong disagreement with the Danish consensus-based policy from the 50's to the 70's, and action against the European major powers', and first and foremost the USA's, policy, both in Europe and in the Third World. They cannot identify with a Danish policy in harmony with the USA, which they do not understand and instinctively reject. They have strong misgivings about choosing Europe as an alternative. What is left is the North and neutralism.

What effects will the new Social Democratic picture of the world have? Internally, it has certainly solved an old problem for the party. Until the middle of the 1970's the party faced the dilemma that its leaders had a slightly different and informed perception of foreign policy which was close to that of the non-socialist parties and far from the Social Democratic left wing's. This provided a basis for the postwar period's broad foreign policy coalition, but it also meant that the leaders had to force large sections of the party to accept ideas which they did not understand. This party problem has now been solved, because the leadership thinks the same way as this part of its voters. On the other hand, new problems have arisen. Internally, the wing which hitherto has supported the old foreign policy line has been pushed aside. Opinionwise, those circles which are charging the party from the left are being strengthened. And parliamentarywise, it will be difficult to find reliable coalition partners with the new course. If they seek to carry it through all the same, the outcome can be tragic, both for the party and for the country.

Danish foreign policy's history cannot display good experiences with a picture of the world and a policy such as the current Social Democratic ones.

At the same time, it is becoming ever more difficult to see any possibility of the party's changing course with the present leadership--and this almost regardless of which foreign policy consequences this might have. Only a change in leadership can provide hope of a return to a higher degree of realism in the Social Democratic Party's foreign policy.

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POLITICAL DENMARK

LEADING SOCIALISTS WARY OF FORMING GOVERNMENT WITH LEFTISTS

Socialist People's Alliance Discussed

Copenhagen BERLINGSKE TIDENDE in Danish 29 Apr 86 p 1

[Article by Per Lyngby: "Social Democratic Party Ahead Before Government with Socialist People's Party"]

[Text] Ex-Prime-Minister Anker Jørgensen (Social Democratic Party) thinks it totally necessary that the Social Democratic Party enter an S-SF [Social Democratic Party - Socialist People's Party] government strengthened. Ex-Tax-Minister Mogens Lykketoft (Social Democratic Party) still doubts the Socialist People's Party's [the SF's] ability to stick to a sensible policy.

A red majority after the next election is no assurance of an S-SF government. Leading Social Democrats are reluctant to enter the government if the party is weakened at the expense of an SF success. Besides, Ex-Tax-Minister Mogens Lykketoft (Social Democratic Party) doubts that the SF will be able to stick to a sensible policy.

The Social Democratic Party's chairman, Ex-Prime-Minister Anker Jørgensen, says to BERLINGSKE TIDENDE that: "It is completely necessary that the Social Democratic Party be strengthened in the next election." He states that the reason for this is that the Social Democrats must take the responsibility for the economic policy in order to have it properly balanced. Anker Jørgensen does not want to comment on what the strength ratio between the Social Democrats and the Socialist People's Party will mean for the distribution of minister's posts.

Burgomaster Thorkild Simonsen of Århus, president of the National Association of Municipalities and a member of the Social Democratic Party's executive committee, says straight out that if the Social Democratic Party comes out of the next election weakened, "there will be no realism behind an S-SF government."

"If the Social Democratic Party is on a backward path while the Socialist People's Party is on a forward one the issue will be extremely complicated. In a coalition able to govern the party must be strengthened. A weakened party is a bad starting position for a government coalition with the Socialist People's Party," is Thorkild Simonsen's assessment.

Mogens Lykketoft finds it alarming that the SF is divided in its attitude toward a government coalition with the Social Democratic Party. At the SF's national congress barely half of the delegates were supporters of a role as a backing party instead of a governing party. "An uncomfortably large minority of the SF seem to be all-or-nothing people. Many SF'ers have not listened to experiences from the past and the language of the birds at the present. The SF is still at the cutting edge on the question of to what extent the party will at all be able to stick together on a sensible policy," the former tax and duties minister believes.

Foreign Policy Biggest Problem

Copenhagen BERLINGSKE TIDENDE in Danish 29 Apr 86 p 12

[Editorial: "The Election"]

[Text] The possible prospect of gaining power, which has long been the intention, is torturing not only the SF, but apparently also the rest of the country. The SF wants to be in the government, and Gert Petersen has almost already issued writs for an election.

To this it can only be said: Have some bread with it. It is not Gert Petersen who will issue writs for an election to the Folketing, and the prime minister will certainly help the SF leader in distress by drawing out the election date so long that the SF will get abundant rest to reflect.

The SF's national congress confirmed the party leadership in the fact that it must work for a government jointly with the Social Democratic Party. There is nothing new and nothing surprising in this. It has more or less been in the cards since 1966. The cards have been dealt a little differently on various occasions, but both the trumps and unplayable cards have remained more or less unchanged for 20 years.

The SF's readiness to bid for power is far from synonymous with the fact that the SF has a realistic chance to gain a share in it. If the situation should arise that the Social Democratic Party and Socialist People's Party jointly gain a majority in a general election, a situation will still exist where the Social Democratic Party will have to choose whether it will enter a coalition government or prefer to keep the SF out. Now as before it will be the security and foreign policy which to a particular extent will mark the difference between the two parties. Regardless of the SF's dodge, the fact remains that the SF in principle wants to get out of NATO and EC. Regardless of good will toward negotiation, the fact remains that the Social Democratic Party wants to remain in NATO and EC. Regardless of the sides' attempts to find new formulations for an old problem, it is quite the same balance sheet which Aksel Larsen could draw up in 1966. At that, then the situation was not as complicated as now. For then it was /not/ [in italics] the SF's intention to enter the government with the Social Democratic Party in order to conduct a joint security and foreign policy with the NATO party, but to push the question toward a referendum. The SF has now saddled itself with this problem by so intensely seeking to assemble a security policy majority with the SF and the Social Democratic Party as the cornerstone. But this majority will have no validity when or if it comes to government negotiations between the two. For in this situation the Social Democratic Party will be forced to emphasize its NATO and EC position clearly and unequivocally.

Gert Petersen has received a mandate to want power. But the Social Democratic Party's leadership has no cause for this reason to change signals toward the SF. It would be suicide-like to enter into government negotiations with the SF before a general election. After the election, and if the outcome of the election should point to the Social Democratic Party as a party able to govern, Anker Jørgensen will have to make his choice: whether he dares to gamble on a coalition with the Socialist People's Party. In order for his answer to be positive, the SF will have to turn a few more somersaults.

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PEOPLE'S SOCIALISTS SEEK TO ENTER GOVERNMENT WITH SDP

Stockholm DAGENS NYHETER in Swedish 26 Apr 86 p 14

[Commentary by Christian Palme: "Socialist People's Party Wants to Govern With the Social Democrats"]

[Text] Copenhagen--The Danish People's Socialists want to get close to the action and power after three decades in the political wasteland. The Socialist People's Party is throwing out its pacifist dogmas and is approaching the Social Democrats. Their dream goal is called "a red labor government" after the next parliamentary election.

"We will no longer be outside demonstrating for "more icing on the cake." Our demand will be "give us responsibility," says one member of Parliament from the Socialist People's Party (SF).

His words summarize well the process now under way within the SF. The little party on the left flank has become large and no longer wants to be regarded as an unreliable overbid party with utopian demands for disarmament and rationalizations. The SF wants to be part of the game along with its big brother, the Social Democrats. But the path to get there requires painful transformations. Earlier in the week the party washed its dirty linen publicly in a very open debate about security and defense policies.

In Denmark several decades ago the Moscow-faithful communist party DKP was reduced to an insignificant force in national politics. The major responsibility for that development is borne by the Socialist People's Party, founded in 1958 by a circle surrounding free-thinker and excluded communist veteran Aksel Larsen. The party broke with the communist traditions, threw out the old ideological ballast and created its own, very Danish, socialist philosophy. It was, so to speak, Marx and Grundtvig under the same roof.

A flat no to military defense and a refusal to accept Denmark's membership in NATO have been an important part of the program. "Disarm our country," exhorted SF's election posters over the portrait of Aksel Larsen.

Impossible

That slogan and a vehement economic overbid policy long made the SF an impossible cooperation partner for the Social Democrats, who preferred to find coalition partners to the right, or work with shifting majorities. The SF came in out of the cold for only a brief moment when Jens Otto Krag after the 1966 election established a cooperation committee, provocatively christened "The Red Cabinet," with Aksel Larsen.

But in Denmark, where political life still offers surprises, nothing is quite impossible. The SF, with a voter base rarely exceeding six percent and only 10 years ago below four percent, in the 1980's has become a political force with which to reckon. In two elections, 1981 and 1984, the party received about 11.5 percent of the votes.

At the same time as conservative Denmark has settled itself confidently in the cabinet chairs and the Social Democrats are struggling with the role as an opposition party, the SF has consolidated its position on the left flank. Opinion polls now constantly promise the party at least 15 percent of the votes in a Folketing election, which would make the SF Denmark's third largest party.

Will It Last?

But will the SF last in a government coalition if the "red majority," so eagerly desired by the left, were to materialize in the parliamentary elections this fall? Up to now it has been impossible, but the SF is no longer as doctrinaire as is used to be, in Aksel Larsen's days.

In recent years Social Democrats and People's Socialists have approached one another on many issues of fact. Political scientist Jorgen Goul Andersen at Arhus University says that "the mutual hostility between Social Democrats and the left flank seems to be over with."

SF chairman Gert Petersen himself has eliminated one source of conflict by declaring that it is time to abandon in the short run the old demand for total disarmament. The alternative, according to Petersen and the party's spokesman on security policy Peter Voigt, is a "defensive defense," a Danish military which can "repel minor attacks but not be used in a NATO offensive against the East."

Gert Petersen fears that a totally disarmed Denmark could fall victim to a lightning action during a major crisis in Europe. In his proposal for change in the party platform he writes that it could even have a destabilizing effect and increase tension if Denmark were to become a free testing ground for the two blocs. The pragmatic SF leader is even prepared to accept the membership in NATO, but without striking the neutrality from the party platform.

Not Out of NATO

"There is broad understanding that we cannot leave NATO now. Neutrality is a long-range goal," says Pelle Voigt. As long as 68 percent of the population supports NATO the issue cannot be discussed. But Gert Petersen and the friends of a "defensive defense" still reject NATO's integrated command structure and demand revocation of the military reinforcement agreements with Great Britain and the United States.

It has therefore created a sensation that another group of leading SF members around Margrete Auken has presented a proposal for a security policy program to the convention which fully accepts both NATO and the reinforcement agreements. The group includes peace researchers and persons from the non-communist peace movement. Margrete Auken, ordained minister and little sister of Social Democratic crown prince Svend Auken, is one of Folketinget's most colorful members. She says:

"The concept that it would increase detente if Denmark left NATO is grotesque. Everywhere it would be regarded as a clear plus for the Warsaw Pact and a gain for the Soviet Union. It would mean greater pressure on the FRG, Norway would become far more isolated than now--and then it is easy to imagine how things would go for Sweden."

For a Corridor

Continued membership in NATO provides opportunities to conduct a progressive security policy, Margrete Auken says. She mentions the Swedish proposal for a nuclear-free corridor through Central Europe as an example.

"If we are to fight for the corridor, we should fight within NATO. Outside NATO we have no opportunities to work for the corridor."

Auken and the other "red realists" can even accept the reinforcement agreements in the short run. Their revocation must take place as an element in a process of political and military detente in Europe which makes the agreements superfluous, they say. Not even Margrete Auken herself expects that the proposal will be adopted at the congress, but she is hoping for a compromise. It is essential, she says, once and for all to get the SF used to the word "NATO," which for so long represented the height of blasphemy.

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POLITICAL DENMARK

SOCIALIST PEOPLE'S PARTY SECURITY POLICY STATEMENTS VIEWED

Copenhagen BERLINGSKE TIDENDE in Danish 26 Apr 86 p 8

[Editorial: "Fragile Balance"]

[Text] The country's third largest party, according to the polls, is holding its national congress. Beforehand there has been an extensive debate on the problem which the party itself wants to make more and more urgent: Whether it, should the occasion arise, should assume the responsibility of governing.

As the party debate is turning out, the answer should be easy. The party is /not/ [in italics] fit for shouldering the responsibility. It is finely designed as an opposition party, when it concerns uniting causes and formulating demands for others. But when pressure is put on it to get it to yield to necessities of one kind or another, normally it goes astray.

The classroom example is the security policy debate. As an opposition party, the Socialist People's Party has participated actively in the footwork which has resulted in the passing of a whole series of security policy resolutions. But the debate prior to the national congress has obviously shown that deep disagreement prevails in the party between the traditional pacifists and the recently reversed red realists. Regardless of the national congress's persistent efforts to paint a picture of a party with a desire for and sense of responsibility, this disagreement will develop into an open wound and a serious crisis if events put it into a position in which a clear and binding answer must be given to a security policy coalition, which does not consist only in angling in the alternative majority's muddy channels.

In contrast to the Socialist Left Party, the Socialist People's Party has never gone in for the formation of wings. The party leadership has felt it its obligation to develop a party line representing a mean between the two views which are manifested in the party's various organs. People who have not agreed with the line have had to say goodbye and thank you. This does not necessarily mean that the internal unity in the party is greater than is the case in the Socialist Left Party, but it implies that its political stances are of a more fragile nature.

Gert Petersen and the rest of the party leadership are doing a balancing act with this fragile balance. His problem as party leader is that he knows how fragile the balance is. He knows first and foremost that the majority of the party's voters vote for the Socialist People's Party because of a clash with the Social Democratic Party. However "realistic" the economic policy or defense policy is made, it cannot gain the degree of realism that it changes the Socialist People's Party from being a rebel to becoming a staid and closemouthed support party for the Social Democratic Party.

However many national congresses can be held in which those attending confirm each other in the belief that success voterwise points to the power of governing. The decisive hour will be at hand first when the responsibility is for sale. In this situation the Socialist People's Party will still be a reserved buyer.

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CHRISTIAN PEOPLE'S PARTY CONGRESS CAUSES COALITION PROBLEM

Copenhagen BERLINGSKE TIDENDE in Danish 30 Apr 86 p 14

[Editorial: "Bad or Good"]

[Text] The government has gotten a problem with the Christian People's Party. Based on its national congress on the weekend, this party in rather heavy-handed phrases has demanded social compensations if energy taxes are adjusted upward as of 15 May. Part of the passed Easter package is that this adjustment can take place if oil prices and the rate of exchange on the dollar continue to drop as strongly as has already occurred.

It will be recalled that a member of the Christian People's Party's Folketing group made a drama out of the fact that the Easter package in his view seemed socially lopsided. At the national congress there was concurrence with this view under the impression that the party feels the need to improve its position in the political polls. Since the government in broad self-interest will willingly see the Christian People's Party maintain or strengthen its parliamentary foothold, the party will certainly be able to count on understanding of the fact that it is emphasizing its profile, provided that this takes place on an honest basis.

However, the Christian People's Party does not have its arguments in order in the current issue. The finance minister has rightly pointed to the party's agreement on the fact that energy taxes alone are to neutralize the price drop. As he says, nothing will be taken from anyone. He is right about this, and the Christian People's Party, which usually has a sober and well-informed relationship to economic realities, ought of course to come to the same recognition. In return the government could offer the party that the occasion be used for broad economic stocktaking and that the problems which are on the party's mind be involved in this connection. The truth is that there is a need for such stocktaking, quite as in the spring of 1984, when the government and the Radical Liberals concluded an economic compromise as a prelude to the compromise situation to follow. The need this year is just in a way far greater. The approaching wage negotiations will be complicated not only by the level of activity and bottlenecks, but also have a long retinue of problems, including demands for pension reform and OD [economic democracy], as well as brewing dissatisfaction in the public sector. To this are added unclarified consequences concerning the repeal of the waiting period for insurance, the question of future employer's taxes, as well as many other things, including, especially, the compromise outcome's influence on social disbursements.

It is true of the great majority of these things that together they can have a rather strong influence on the country's economy, including public finances. This will take place, at that, from a point in time when the Folketing with the tax reform has allowed itself the extravagance of giving way to a consumption expansion of three billion to four billion kroner.

There truly is a need for stocktaking of both the economic and social realities. If the Christian People's Party muddles the current situation by shoving some emotional demands into the ring sideways, it will be bad. But if the party's action spurs the government toward a united plan of action, it will be good.

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PRESIDENTIAL CAMPAIGN GETS OFF TO EARLY START, CHARGES HURLED

Liikanen Attacks Vayrynen

Helsinki UUSI SUOMI in Finnish 19 Apr 86 p 11

[Article by Kaija Lahteenmaa: "Erkki Liikanen on Vayrynen's Entry into the Presidential Campaign: 'Blindness to Acceleration Threatens Center Party'"]

[Text] SDP [Social Democratic Party] party secretary Erkki Liikanen is of the opinion that the Center Party (KEPU) and the KEPU chairman, Foreign Minister Paavo Vayrynen, have launched a "quite open" presidential campaign.

According to Liikanen, the KEPU is pursuing a policy of needling the current president, one that goes beyond the bounds of propriety and good taste. According to Liikanen, it would be appropriate for us to expect tactfulness, especially from the foreign minister, toward the top foreign policy leader, the president.

Liikanen was not willing to specify where the KEPU's presidential campaign is evident.

According to him, anyone who reads the chief organ of the KEPU, SUOMENMAA, will perceive this policy of needling aimed at the president.

Blindness to Acceleration Threatens KEPU

In Erkki Liikanen's opinion, just the editors' amusing themselves cannot be behind this.

"It's hard to imagine that SUOMENMAA might be maintained so that its editors can fulfill themselves. Of course, it's the paper's job to reflect the party and Pursimiehenkatu's (where the KEPU party bureau is located) opinions," he said.

In Liikanen's opinion, the KEPU's presidential campaign is threatened by a blindness to its acceleration which is evident precisely in the columns of the KEPU organs.

"Where Will We Yet End Up?"

Liikanen gave us to understand that the very foundations of our basic institutions are being shaken by Vayrynen's presidential career ambitions.

"If the foreign minister's party has its own presidential candidate and the foreign minister's party conducts a presidential campaign, which it, of course, has a right to do, then we can demand of it good taste and proper conduct. Otherwise, our basic institutions will enter a difficult phase.

"Precisely the loyalty of the foreign minister's party to our foreign policy leader should be particularly strong."

So, is our foreign policy being damaged?

"I wouldn't say that. But if things go on as they are now, where will we end up?" Liikanen replied. And he pointed out that Kekkonen, running as a candidate for the presidency, and the Finnish Rural Party behaved toward Paasikivi "with conspicuous reverence and respect" in the 1950 election campaign.

Others Are Moderate

In Liikanen's opinion, the other parties have behaved in a very moderate way with regard to the coming presidential elections.

So, the Social Democrats are satisfied, whereas the Conservative Party has not yet been able to nominate its own presidential candidate.

"I don't believe that the nomination of a presidential candidate will be a problem for the Conservative Party. Harri Holkeri did well in the last elections, placing second. As an outsider, I don't understand why the Conservative Party would not nominate Holkeri as its candidate this time too."

Their Own Record Is Clean

According to Liikanen, the Social Democrats' own record in the presidential race is clean, although the party has raised a ruckus over the Foreign Ministry's training and recruiting policy, which has "slipped to the Right," and has in part shifted the blame to Foreign Minister Vayrynen's shoulders.

Isn't it because of the presidential race that they have tried to, at least in some sense, make Vayrynen out to be unreliable in foreign policy matters?

"Now no one has claimed that to be so. But if they take a grossly one-sided view of the Foreign Ministry's training and recruitment policy, and the foreign minister is informed of this, that is a very rash act.

"If we don't react now, how do we know where we will be confronted with the same kind of problems next time?"

Natural That Koivisto Should Stay On

According to Liikanen, the Social Democrats have not yet asked President Mauno Koivisto to run as a candidate, nor has the matter been discussed any more than that.

Liikanen nevertheless said that he felt that it was "perfectly natural" that Koivisto be nominated as a candidate in the next presidential elections.

"The fact that, since so-called public opinion, in other words some nonsocialist newspapers, has criticized Koivisto, some people imagine that Koivisto may no longer stay on because of this is an incredible kind of logic," Liikanen marveled.

"A Finn's will to fight is only sharpened by confrontations. And there is no reason to suppose that Koivisto is any different from other citizens in this respect."

Brief Candidacy

Liikanen feels that it is just as natural as Koivisto's candidacy that the current president be nominated at an early point in the presidential race.

According to Liikanen, a lengthy campaign would only interfere with the handling of the office.

Then how long is the right space of time?

"I can't say exactly how long, but the period of time should be very brief."

Vayrynen's Prime Ministership

In so-called political circles they say that, if Vayrynen longs to be president, a nonsocialist government will have to be the next one to be formed.

In that way Vayrynen would get to be prime minister and Vayrynen would with a Conservative Party-Center government be assured of the entire nonsocialist grass roots and would receive the votes of the nonsocialist constituency as a reward in the presidential elections.

Liikanen does feel that a nonsocialist government is likely, but it is, of course, possible. He pointed out that the president appoints the man who forms the government, that is, the prime minister, and that is why he did not want to speculate on this.

"I've noticed that the president of the republic does not willingly intervene in matters that do not concern him. But he does have a firm grip on those matters that do concern him," Liikanen said.

Another question, according to Liikanen, is a possible expansion of the government coalition. On this he repeated the SDP's earlier position, that the matter lies in the Conservative Party's own hands.

"There is room for it in the urban Center, especially since the KEPU has been leaning more and more in the direction of the old Rural Party."

Kaariainen Attacks Liikanen

Helsinki UUSI SUOMI in Finnish 22 Apr 86 p 7

[Article: "Kaariainen Replies to Liikanen: 'Claims About the Presidential Campaign Are Unfounded'"]

[Text] KEPU party secretary Seppo Kaariainen feels that party secretary Erkki Liikanen's (Social Democrat) claims about the KEPU's launching a presidential campaign are "clearly unfounded."

Kaariainen said that his party operates in a way that presupposes rules in the presidential issue: The KEPU's presidential candidate will be chosen at the party congress to be held next June.

According to Kaariainen, not even the election campaigning will begin before the fall of 1987.

The presidential elections will be held in January 1988.

In an interview with UUSI SUOMI Liikanen said that the KEPU has launched a "quite open" presidential campaign in which a policy of needling the current president is being pursued.

According to Liikanen, the KEPU is going beyond the bounds of propriety and good taste in its election campaign.

"We Don't Guess at His Motives"

Kaariainen did not want to inquire as to the motives behind Liikanen's claims.

"Guessing at them is not among the duties of the KEPU," he said.

The Social Democrats have criticized its chairman, Foreign Minister Paavo Vayrynen (KEPU), because, in addition to the presidential campaign, the Foreign Ministry he heads is among other things alleged to have slipped to the Right in its training and personnel [hiring] policy.

Kaariainen was unwilling to comment on charges involving the Social Democrats' Foreign Ministry.

According to him, with reference to the statements Liikanen made in the interview, the thought readily comes to mind that the latter would associate himself with a more extensive operation against the KEPU.

How much more extensive?

"We don't need to be more precise about that," Kaariainen replied.

"Music in the Distance"

In Kaariainen's opinion, the coming presidential elections will not affect cooperation in the government.

He said that he feels that it is clear that the present government will be handling the affairs of the nation well until the end of the current election term, that is, until the spring parliamentary elections.

So talk of a postelection government coalition is, according to Kaariainen, "music in the distance." In his opinion, it is, however, important to keep all alternatives open.

"We must first take a look at the parliamentary elections," he said.

Liikanen said that he regards a nonsocialist government as unlikely, although all the same possible.

Paper Views Charges

Helsinki UUSI SUOMI in Finnish 23 Apr 86 p 2

[Editorial: "Koivisto and Vayrynen"]

[Text] The approach of the presidential elections has already heated up relations among the chief government parties. In an interview with UUSI SUOMI SDP party secretary Erkki Liikanen charged Paavo Vayrynen with accelerating the campaign and with making the current president's position more difficult -- with respect to guiding foreign policy as well.

KEPU party secretary Seppo Kaariainen, of course, denied the claims that the KEPU is pursuing a policy of needling [the president], striving for a pacifying style of rhetoric. His response, however, has scarcely satisfied the Social Democrats. It is to be anticipated that this controversy will become more intense before we get to the evening of 15 February 1988.

At this point a cynic might look for references to the proper treatment of the president then in office in, for example, the columns of SUOMENMAA during the Urho Kekkonen era. It is, however, more productive than this pro-and-con game to consider the current national leader's position in public debate in general and especially in light of the approaching presidential elections.

While we have never had a national monarch, there are monarchical features in the Finnish soul. Or perhaps our penchant for monarchism stems precisely from the fact that for centuries the monarch was remote and therefore easier to worship than a person one is familiar with because of his proximity.

Even more monarchical features than in some kingdoms have been preserved in our presidential institution -- in part because state caretaker Mannerheim, who was schooled at the court of the czar, created our protocol forms, but certainly also because these features have been felt to be necessary. They have to some extent in their forms even united a torn nation and through them the president has to some extent been preserved as a symbol of national unity.

Thus the president has generally been regarded as inviolable and restraint has been been stressed in criticizing him. True, many presidents from Stahlberg to Kekkonen have also been harshly insulted, but this has usually been done less publicly. On the other hand, the president is supposed to be above the parties.

Inviolability would be a simple goal to achieve if the president were first and foremost a representative individual or if he were at the most -- as in some other countries -- a "last reserve" to relieve political crises. In Finland, however, he participates most essentially in continuous decision-making. In a democracy one must be able to take a stand on the decisions of the decision-makers.

People have tried to label our presidential elections as being monarchical before too in that they have, among other things, tried to label the nomination of a candidate to oppose the president in office as being a vote of no confidence against the latter. This is not the issue; the lack of an opposing candidate would, on the contrary, be a symptom of the withering of democracy.

This being the case, discussion and nomination of presidential candidates is perfectly natural. It is also very irrelevant to attempt to ride on Mauno Koivisto's national popularity in the coming parliamentary elections by, for example, inflaming people's minds through condemnation of nominations of opposing candidates.

On the other hand, we should not act hastily; there is still plenty of time for campaigning for the presidential elections. The KEPU has indeed very adroitly replied to the SDP in stating that Paavo Vayrynen's election campaign would not really begin until the fall of 1987. At that time too, it would be desirable to stick to a relevant style of rhetoric -- which cannot, however, mean refraining from criticism.

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CSO: 3617/104

SORSA, SUOMINEN DEBATE SEEN AS PREVIEW OF 1987 ELECTION

Helsinki HUFVUDSTADSBLADET in Swedish 3 Apr 86 p 10

[Article by J-AE]

[Text] The chairmen of the two biggest parties--Kalevi Sorsa of the SDP [Social Democratic Party] and Ilkka Suominen of the Conservative Party--met on Wednesday evening for a debate on the future during a meeting in Botby that was sponsored by the SDP local association at the Eastern Community Center. Their exchange of views did not produce anything new, but it did provide opportunities for interesting comparisons.

A large audience had gathered to follow the discussion--as well as to ask questions. There were several hundred people in the room.

Kalevi Sorsa began the whole thing by summarizing the substance of what will be the SDP's new program of principles. He was followed by Ilkka Suominen, who based his opening remarks on a future-oriented "basis for deliberations" that had been worked out within the Conservative Party some time before. The intention was that the discussion would answer the question of what the parties intend to base their policies on as we enter the 21st century. The question was: for what and with whom?

The second part of that question was never answered. Ilkka Suominen said he simply believed that changes in public opinion would put an end to the Conservative Party's time in the opposition.

The debate was concerned mainly with views of the individual. Sorsa emphasized that equality would continue to be the most important thing in Social Democratic policy. Suominen spoke in favor of a view of humanity centered on the individual and of private enterprise.

"The Right of Might"

Sorsa drew the conclusion that in its emphasis on the individual, the Conservative Party is in fact embracing the principle that "the strongest individual should have freedom to advance." The SDP's approach is based on the idea that individuals are social and interdependent citizens.

The SDP chairman noted that in his opening remarks, Ilkka Suominen had repudiated the idea of cooperation funds in the firms. "The Conservative Party approves of letting the owners and banks manage the firms. The SDP thinks that besides the owners and financiers, the employees should also be considered and allowed to have their say in the firm," said Sorsa. He said he took it for granted that doing so would result in strong and advanced firms.

And lastly, Sorsa mentioned Suominen's favorable view of the need for flexibility in employment. According to Sorsa, flexibility as such is needed in industrial life. And the employers also need the opportunity to be flexible. But flexibility must not lead to increased insecurity for the employees.

"Good for People To Do Well"

Ilkka Suominen answered by saying that the Conservative Party "is not in favor of the right of might." Suominen said: "But we are happy if Finns do well, and it is also good if some do better than average. But the weak must also have a secure place in society and the right to strive for a better place for themselves." He added that collectives can also exercise the right of might in a brutal way.

Concerning the cooperation funds, he noted, among other things, that inequality will arise in society because there is scarcely any means of introducing such funds into the public sector as well. In that connection, he reminded his audience that for its part, the Conservative Party had already taken a stand in favor of a system that would make it possible for employees to purchase shares in their own firms.

And concerning flexibility in employment, Suominen emphasized that Finland is a true "negotiating society" in which nothing can be done solely on one party's conditions.

"Choice Between Threats"

Following the opening statements and the direct mutual comments, the audience was allowed to ask questions. The first question was concerned with nuclear energy and was asked by a person who expressed clear opposition to more nuclear power.

Sorsa avoided taking a personal stand. He simply emphasized that a choice would soon have to be made on what kind of energy expansion we want. He admitted that it would be a hard choice for Parliament and that it would be a choice between "a known threat"--coal-derived energy and its drawbacks--and "a less well-known and, for many people, greater threat." Suominen took a straightforward stand in favor of more nuclear power.

The subject of political appointments also came up. Sorsa said they would always exist because there are political posts to be filled. But political connections and competence are not necessarily mutually exclusive. And that being the case, he felt that his political secretary was extremely qualified to be head of the Information Center for Insurance Companies. But that is a position in the private sector.

Ilkka Suominen said he was "as surprised as you are" at newspaper reports saying that the banks intend to start charging for withdrawals from deposit accounts. He expressed decided criticism of those plans and said that the banks have recently been committing every psychological mistake they could possibly commit to make themselves unpopular.

Less Pressure on Labor Market

The prime minister answered a question about unemployment by saying that "if we knew how all the unemployed could be given work, they would all have jobs by now." He explained the current unemployment rate as being due primarily to the fact that people born in the years of the baby boom have now reached the job market. And the approximately 200,000 new jobs created since about 1978 have not been sufficient. But the pressure on the labor market is now easing, so it is possible that the prospects are getting brighter.

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POLL FINDS CONTINUED HIGH LEVEL OF SUPPORT FOR FOREIGN POLICY

Helsinki HUFVUDSTADSBLADET in Swedish 4 Apr 86 p 14

[Text] (FNB)--The citizens continue to have strong confidence in Finland's foreign policy. More than 9 out of 10 Finns rate the handling of foreign policy favorably. In a poll conducted in January and February, 93 percent of those polled felt that foreign policy had been conducted well in recent years, while only 4 percent felt that it had been handled poorly.

That favorable opinion of the handling of foreign policy has remained about the same since 1981. Confidence in the foreign policy was also at that level during the first 2 years of the 1970's. The Defense Information Planning Center has commissioned polls at regular intervals to determine the level of confidence in foreign policy, and this latest poll was conducted by the Economic Research Company, which interviewed 2,000 Finns over the age of 15 for the purpose.

According to the poll, the Treaty of Friendship, Cooperation, and Mutual Assistance between Finland and the Soviet Union is viewed on the whole as a positive thing. Of those polled, 83 percent considered the agreement positive, while 5 percent had a negative attitude toward it. The attitude of the citizens toward the treaty has not changed appreciably during the 1980's.

Defense Appropriations More Unpopular

On the other hand, the attitude toward higher defense appropriations has turned more negative. At present, 26 percent of the citizens want an increase in defense appropriations, compared to 36 percent last year. And 57 percent of those responding feel that the current appropriation level is adequate, compared to 48 percent last year. Those wanting defense appropriations to be decreased total 13 percent, compared to 12 percent last year.

Over two-thirds of the Finns--68 percent, to be exact--feel that the current number of military refresher courses is enough. The percentage wanting the number of refresher courses to be increased and the percentage wanting it to be decreased are the same: 13 percent. At the end of the 1970's, the attitude toward refresher courses was somewhat more favorable than it is now.

The Finnish attitude toward the various aspects of security policy is also very positive. To ensure the country's security, 90 percent feel that the defense forces are necessary. while 89 percent feel that protection of the population is necessary, 95 percent consider economic independence necessary, and 89 percent consider universal conscription necessary.

In addition, 87 percent of the citizens feel that the activities of the United Nations are necessary for the country's security, and 67 percent consider the activities of the peace movements necessary for the country's security.

The opinions of Finns concerning what is important in life were surveyed by asking them to rate six suggested qualities of life by order of importance. Of those responding, 43 percent put peace in first place, 16 percent said the country's independence was most important, and 15 percent chose a good livelihood. Also, 11 percent put their own employment first, 7 percent said unspoiled nature, and 6 percent chose the elimination of famine in the world.

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POLL INDICATES RURAL PARTY GAINED BY JOINING GOVERNMENT

Helsinki HUFVUDSTADSBLADET in Swedish 2 Apr 86 p 11

[Text] (FNB/MI)--A poll commissioned by the Finnish Rural Party [SMP] shows that voters feel that the party's importance has increased during its years in the government in comparison with the time when it was in the opposition. The party has also received marked support from the field for staying in the government even if all its goals are not achieved.

The Finnish Rural Party is getting its election campaign underway a year before the parliamentary elections. The results of a poll commissioned by the party as the basis for its campaign were announced by party chairman Pekka Vennamo on Tuesday.

The poll shows that the SMP's image with voters is partly imperfect and partly erroneous and contradictory. By starting its campaign in good time, the party is trying to correct that image and provide true information about the SMP's goals, said Vennamo.

It emerges from the poll, which was conducted a year ago, that the SMP is regarded as a kind of class party, even though, according to its chairman, it is a universal party. According to the poll, the voters are well aware of the party's efforts to improve the lot of war veterans, pensioners, and small farmers. On the other hand, the public is not aware of its activities on behalf of families with children, salaried employees, and city dwellers.

The SMP has already begun selecting candidates for next year's parliamentary elections. The intention is to have most of the candidates chosen before the party congress in August of this year.

The SMP is also circulating an informational newspaper to all households to make the party's objectives known. About 1.9 million copies of the newspaper are being printed at a cost of between 500,000 and 700,000 markkas. Chairman Vennamo pointed out during a press conference on Tuesday that the campaign now underway has no connection with the current government situation. He hopes that the government will be able to remain in office until the parliamentary elections next fall. And the poll results support him in that view.

According to the poll, 69 percent of those interviewed feel that the SMP should remain in the government even if the party cannot achieve all its objectives. Over 80 percent of the SMP's supporters hold that view.

The poll was conducted by Markkinointi Topi Torma. The characteristics attributed to the SMP are, on the one hand, that it upholds the interests of the little people and is cooperative and reform minded and, on the other, that it is ruthless and greedy for power. According to the poll, the SMP is viewed as being even more clearly in the political center than the Center Party.

According to Vennamo, that indicates that the SMP should not draw closer to the Center Party but continue along the same path as before. Vennamo also repeated the SMP's demand that the next government should be based on the principle that the winners in the election should be part of the government.

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SITUATION SEEN READY FOR SOLVING GREEK-TURKISH DIFFERENCES

Athens MESIMVRINI in Greek 2 Apr 86 p 6

[Article by K. Kolmer]

[Text] Now that the visit of U.S. Secretary of State George Shultz to our country has ended without the "catastrophes" and humiliations for the national interests anticipated by the belated...super-nationalists from the left and right, this is the moment, we believe, to re-examine our foreign policy, particularly our relations with Turkey. Recent developments in Turkey--which is also the major country in the southeastern basin of the Mediterranean--will be of much help in this process, as will surely the easy way in which Shultz dealt with Turk and Greek, but also Italian, power-managers. A way which showed that their U.S. counterparts are not hurrying, nor are they being forced, to achieve results where only a long-term and unhesitating policy can pay off--as, for example, in dealing with the Qadhafi type of national terrorism. In other words, we are in a period in which the U.S. policy is maturing, which can produce benefits, for our country, at least--if, of course, we awaken from the stupor of the fruitless anti-American demagoguery and become more pragmatic and flexible, trying to benefit by this international juncture on behalf of the country's interest.

Let us look in detail, however, at how the new scenario of international relations in the wider area including us is opening up before us and how we can derive benefits from this.

Turkey's Weakening

First let us look at our implacable friend, Turkey. Despite what is said to the contrary, the end of 1985 found the Turkish economy in a slump. The extended period of stabilization for the Turkish economy (1982-1985) ended, and a new one began, a period of strong turbulence which, little by little, is shaking the Turgut Ozal government and making it more suited to concessions and compromises, at least in the foreign sector.

Inflation in Turkey in 1985 repeated its upward trend (the cost of living in Istanbul rose by 48 percent), fittingly fanned by a greatly increased monetary circulation (up 32.2 percent) and money supply (23.2 percent). Despite an 11-percent increase in exports in 1985, to about 8 billion dollars--nearly double Greek exports--the Turkish balance of payments left a trade deficit of 3.3 billion dollars which, even though decreased by 8 percent in comparison to 1984, is reaching such levels that the influx of emigrant remittances (1.9 billion dollars in 1985, from what we calculate) is not enough to cover it. As a result, there has been a drastic decrease in Turkey's exchange reserves which at the end of 1985 were down 23 percent compared to 1984, to a meager 1,257 million dollars--about as much as our own.

It is clear that Ozal's experiment in the economics of supply produced whatever it was able to produce, and from here on if public expenses--and demand--are not restricted in Turkey, and if the freeing of the Turkish economy from its bonds to Kemal does not proceed, economic illness will almost certainly return to our neighboring country. With the consequent, inevitable repercussions....

This is an opportunity for both Ozal and his associates in the West, among whom are, inevitably, the Greeks. Furthermore, the easy way in which Shultz dealt with the Turk's little extortions in Ankara and Istanbul proves that even the Americans have noticed the Turks' weakness and are not yielding to their bravadoes (such as "Take the bases and get out") or their bluffs ("We will seek aid from the Soviets").

The Turkish Extortions Failed

Actually, the Turks are more in need of the U.S. bases staying in Turkey than the Americans; this is in order to maintain a guarantee for their territory against the Soviet threat and to upgrade the Turkish armed forces' diminishing defensive capability. The Soviets' ability to make a replacement for the one billion dollars in U.S. aid annually--even in the theoretical case that such a thing would be accepted by the U.S.-educated Turkish militarists--has been reduced drastically by the fall in oil prices. Which means for the Soviet Union a loss of one billion dollars every time a barrel of oil loses two dollars--and it has lost 15 lately.

The Oil Weapon Has Misfired

This new reality--namely, the drastic reduction in petroleum revenues--has forced Turkey not only to forget its longstanding flirt with the Soviet Union, but also Ozal's recent love affair with "our brother" Arabs--something which our own Papoulias cannot yet forget.

The Arabs, who until recently handed out gold Rolexes to the hotel porters, have again become "the robbers of the pilgrims to Mecca" because of the curtailment of their income from oil. And the strong lesson they are getting every day from the Iranian mullahs who teach that the Koran does not agree with the western way of life (Editor's note: And without the western way of production, education and freedom) makes them more circumspect in spending their petroleum revenues.

Perhaps they have not received the message yet in Riyadh or Cairo--particularly where they have recently had a taste of what Islamic "schizophrenia" is, namely, a return to the roots of Muhammad. Ozal, however, who is more a child of capitalism than Muhammadism, realized in time that he "has no other livelihood" in the Arab countries and he turned to the West. He remembered the "indestructible bonds which Kemal Ataturk forged with the developed West" and forgot the haughty words about the Islamic roots of the party of the "Motherland." So he made a virtue of necessity and took the news to Brussels, London and the great United States. He ordered the Turkish banks to advertize in influential printed matter in the West about the paradise Turkey is about to become for foreign lenders. He asked President Reagan to seek from the Senate a treaty on the protection of U.S. capital invested in Turkey.

Trend to the West

At the same time, Ozal sought a refunctioning of the Turkey-EEC association agreement and set a course for entering his country into the united Europe in 1996--the earliest possible.

Here is, however, where the new Ozal line comes into our territory--it may be good Karamanlis put us in the "EEC of monopolies" and thus Papandreou can draw loans from the EEC to finance the KAPI [expansion unknown] and Pangalos can play Tallyrand in the privy councils of the West.

Instead, however, of Greece exploiting this unique opportunity to become Turkey's sponsor in the EEC, with serious exchanges, of course--and we have many things to ask for from the Turks, from respect for the ancient patriarchate in Istanbul to the withdrawal of troops from occupied Cyprus--it threw it away to fruitless anti-Turkism. Papandreou and the uneducated people around him are forgetting, however, that the national interests must not become the prey of party expediences, especially when the opportunities to promote both of these are ephemeral. Because the Turkish trend to the West cannot be retarded by Pangalos or the 24 Greek Eurodeputies--when they are not undermining each other--and the municipal elections are not going to be won, or lost, because PASOK "banks on" modern Greeks' aversion to anything Turkish. (All it takes is for Mitsotakis to make his incorrect choice on the person of the candidate mayor of Athens for the "other, democratic forces" to win another victory.)

The 12 Miles

There is, however, another element in the Greek-Turkish tug-of-war: the acknowledgement, by the United States, of the 12 miles!

The Greek Ministry of Foreign Affairs[1], with its many distinguished officials (who the green-guards are stupidly trying to decrease at every opportunity) would surely observe that during the recent showdown between the Libyan dictator, Qadhafi, and the U.S. Sixth Fleet, the State Department spokesman stated that "the United States only recognizes the 12-mile zone as territorial waters, not in the contested sense of closed gulfs--and among these, of course, is not included the Gulf of Sidra where Greek fishermen have been seized repeatedly by Libyan coastguard ships. And also that although the United States has not signed the international agreement on the Law of the Sea as it has been formulated since 1955, particularly with the Caracas agreement in 1982 where the 12-mile limit was established as a precept of international law, nonetheless, it has recognized the section of the Law of the Sea which refers to the 12-mile zone, "in point of fact."

This fact has particular significance for us. Because it is an international precedent. In other words, when the Americans conduct naval exercises in the Gulf of Sidra and do not come any closer to unfriendly Libya than 12 miles, why would they continue to have naval exercises with the Turks in the Aegean past the 12 miles, and up to the 6 miles where the territorial waters of (their friend and ally) Greece are located--poorly located--today. Unless Greece, as a sovereign state, allows the alliance to use the 12 miles.

The benefit for our national rights automatically emerges and the Turks are forced to accept what they themselves have created--at the Soviets' expense--in the Black Sea: The 12 miles! At the same time, the issue of our airspace is solved since the 10 miles are covered by the 12 miles, the absurd Limnos issue is settled, as is whatever else has been created by the unhealthy imagination of the Turkish militarists.

We must act quickly even if--bad luck--Greece is in the hands of inappropriate people. The opportunity is unique and will not come again in the foreseeable future. With the Turks on bad terms with the Americans, as Shultz's visit to Ankara showed, and hurrying to the Common Market, and the Greek Government in a period of re-warming its relations with the United States--even if step-by-step--and the united Europe, there are now serious possibilities for us to solve our differences with Turkey with the least possible cost to the nation. As for the political cost for Papandreou, we do not care about this because it is nonexistent. The most Papandreou can do is displease the matricidal Greek communists who, as a mouthpiece of Moscow, will be annoyed that the Greek and Turkish coexistence will restore the harmonious functioning of the southeastern wing of NATO, which is our only shield against the never-resting communist danger against the motherland, except in the troubled minds of the uneducated politickers in Athens.

(1) [The following passage in slantlines was presented as a footnote in italics] /The recent clash between Libya and the United States in the Gulf of Sidra waters had a side which was heeded least by the Greek side--although it was of particular importance for our national interests. This had to do with the very first official U.S. proclamation about respecting only the zone of 12 miles of territorial waters.

The fact that the Americans were forced for the first time to recognize the 12 miles has particular significance for Greek rights since, heretofore, the United States has not tacitly recognized Greece's right to extend its territorial waters from 6 to 12 miles, and our rival, Turkey, considered any extension a casus belli, that is, a cause for war.

The Americans are already talking directly and sincerely about the 12 miles, however. And it would be extremely difficult for them to use a "different language" if the Greek Government made use of the right to extend Greece's territorial waters to the limits allowed by international law.

As for our neighbor, Turkey, it would be extremely strange for it to proclaim war on Greece simply and only because the latter is thinking of exercising its rights. We need not say that a gradual extension of Greek territorial waters to the 12 miles would be a very useful negotiating weapon in the hands of the Greek Government now that Turkey is facing its relations with Greece from a position of weakness. As for the danger of war between Greece and Turkey, the possibilities are minimal because it is well-known what value the Turks' bravadoes have when they want to terrorize and blackmail neighboring or allied countries. None./

The opinions expressed in this column are independent and not binding on MESIMVRINI, nor do they necessarily express its political line.

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ROLF PRESTHUS ELECTED CHAIRMAN AT CONSERVATIVES' CONGRESS

Emphasis on Freedom, Security

Oslo AFTENPOSTEN in Norwegian 18 Apr 86 p 5

[Article by Lars Hellberg: "Conservative Party Promises Both Freedom and Security"; first paragraph is boldfaced lead-in in original]

[Text] The Conservative Party gathers today for its national congress under the banner of "freedom and security." In practical politics, this means across-the-board cuts in government spending, with one exception. After it elects Rolf Presthus the new chairman, the national congress will conclude with a demand for new ideas, fresh efforts, and continued real growth in the health-care and social-welfare sector.

The largest government party acknowledges that the Labor Party has won by focusing on health and security. On the other hand, the Labor Party's "freedom campaign" is interpreted as recognition of the fact that the opposition lost the election in the freedom debate, among other places.

Both/And

"It is not a matter of freedom or security. The one does not exclude the other. We will give the Norwegian people both freedom and security," emphasizes parliamentary representative Annelise Hoegh, who will present the main speech on social policy at the national congress. In this area, the needs of the elderly and of families with small children will occupy a prominent place.

Prior to the national congress, the desire to protect and expand the welfare state was expressed best in a resolution proposed by the Norwegian League of Conservative Students: "As the number of elderly persons increases, more and more will need care and nursing. The construction of new nursing homes must continue," it is stated in the proposed resolution. At the same time, it is emphasized that it is important to encourage open care and that the elderly are a significant resource group.

Freedom Campaign

In addition to a freedom resolution, three other themes will occupy a central place in the political debate: regional development, women's rights, and security policy. In the domain of security policy, the national congress will stress the necessity of a steady and predictable course in close collaboration with our allies. Since it is known that directives and regulations do not assure growth, vital importance is attached to incentives in regional development policy.

Tax Cuts

The Conservative Party stands firm on the need for new tax cuts: it takes aim at a further reduction in the graduated income tax. The need for a "special effort to increase the number of new business establishments, particularly in the outlying districts" is stressed in the central board's annual report. Production and economic life must be beefed up, and increased creativity and reconversion capacity must be encouraged," states the report.

However, no attempt is made to deny that the growth of government spending, together with a significant increase in loans and public consumption, has led to rising pressures.

"It is necessary to practice a policy of economic retrenchment in order to alleviate pressure on the economy. In that way we can prevent the increase in expenditures and the rise in prices from becoming too high. This is vital if we are to safeguard jobs and social welfare. The goal is to secure work for everyone and to further develop the welfare state," it is affirmed in the annual report.

Presthus Brings New Style

Oslo AFTENPOSTEN in Norwegian 19 Apr 86 p 3

[Commentary by Lars Hellberg: "Change in Chairmen for Conservative Party: Great Things Expected From Presthus"; first paragraph is boldfaced lead-in in original]

[Text] In Rolf Presthus the Conservative Party is getting a chairman who can bring the party together and who has political clout that extends far beyond the Conservatives' own ranks. This weekend the national congress can only confirm that Presthus has the solid support of the party apparatus and the party constituents. To the extent that he has a problem, it is linked to the great things that are expected from him as the Conservative Party's operational leader in a political situation which can fast become embarrassingly turbulent.

The task is to practice an aggressive liberal-conservative policy. The goal is to consolidate and strengthen the Conservative Party's position within the framework of nonsocialist cooperation. If he avoids breaking his neck, he will be the Conservative Party's next prime minister.

Head of the Finance Ministry since 1981, Presthus has occupied a unique position as architect of cooperation. He knows from the inside the limits to and the possibilities for cooperation. He is perhaps better qualified than anyone else to mark out the Conservative Party's distinctive character without doing so to the detriment of essential compromises with the Christian People's Party and the Center Party.

No Revolution

The change in chairmen does not represent a revolution. The abrupt change in chairmen in 1984 was as close as the Conservative Party will ever come to a revolution. That time, as everyone knows, it was the party apparatus, not to mention the secretarial corps, which caused a commotion by demanding the return of the peripatetic Erling Norvik, who had been a source of inspiration during his first term as chairman. They got him back, but it would be wrong to say that Norvik's second term as chairman was as successful as the first.

Heavyweight

The situation is different today. In Rolf Presthus the Conservative Party is getting a political heavyweight with broad popular appeal as party chairman.

Just as important is the fact that with his extensive experience as parliamentarian and as government member he can better coordinate the party's three power centers: the Conservative Party's main organization, the members of the government, and the parliamentary group. There have been no appreciable problems between the latter two, but in recent years the party apparatus has operated in a vacuum as far as power politics is concerned.

Given Free Hand

That is not first and foremost Norvik's fault but is rather a result of the fact that the Conservative Party's dominant position on the nonsocialist side has of necessity been tied in with its government position. In many ways, Norvik has been given a free hand with respect to both the Parliament and the government. This has enabled him to mark out the Conservative Party's distinctive viewpoints, but other people have had to see to it that the party exerts some influence in practical politics.

"The Slugger"

When Rolf Presthus entered the Parliament as deputy representative a quarter of a century ago, he quickly became known as "the slugger from Oppegard." It says a lot about his development as a politician and about Norwegian politics in general that today Finn Graff in ARBEIDERBLADET likes to draw him as every child's best friend, Ferdinand the ox. Presthus is a born politician and was only 16 years old when he became an executive member of the Young Conservatives in Oppegard.

As everyone knows, Presthus coyly claimed he was enjoying himself so much as finance minister that he did not want to become party chairman. The truth is that he could not say no. There was never any doubt in informed circles that he would say yes when the time came.

Right Moment

It is also part of this picture that today the finance minister, who is not yet 50 years old, emerges as Kare Willoch's most likely successor to the post of prime minister. Willoch himself will decide when this issue is to become topical. But when Presthus changes pasture at the strategically right moment, it is due to the fact that both he and others have set their sights far beyond this weekend's national congress. Besides, the lieutenant colonels at Huseby will quickly discover that the Defense Forces are not downgraded when the new party chairman also becomes the minister of defense.

The differences between Presthus and Norvik are obvious. Presthus will give the post of chairman a substance and a style totally different from what people have accustomed themselves to under Norvik. As party chairman and government member, Presthus will operate over a broader political spectrum than Norvik did. But Presthus has one thing in common with the Norvik people know from his first term as chairman: he is the right man in the right place at the right time.

Norvik's Contribution

Erling Norvik popularized the Conservative Party to such a degree that many people were unfortunate enough to confuse him with the Conservative wave. However, as he himself would be the first to point out, it was the Conservative wave which created Erling Norvik the politician--not the other way around. He was, in short, the chairman the Conservative Party needed in 1974. When he became chairman, he had served as first vice-chairman for 4 years, at the request of Kare Willoch by the way.

Fortunate Choice

This year's national congress will in many ways differ sharply from what happened in 1970. That time, Willoch was elected chairman in a tough three-man race. The third candidate for chairman, Lars T. Platou, was chosen second vice-chairman. It was a fortunate choice. Under dismal circumstances, the trio of Willoch, Norvik, and Platou laid the groundwork for the Conservative Party's forward march through the 1970s and into the 1980s.

But it was first with Norvik as chairman that the Conservative Party consolidated and strengthened its position as the leading, not to mention dominant, nonsocialist party. In the 1973 elections, the Conservative Party received 17.4 percent of the vote, while 12.3 percent and 11 percent of the voters went with the Christian People's Party and the Center Party, respectively. As the largest and thereby most vulnerable government party, the Conservatives received 30.4 percent of the vote last autumn, more than twice as many votes as the two other collaborative parties combined.

For the Conservatives it marked a slight falloff from the bang-up election of 1981, but what first and foremost characterizes today's Conservative Party is its remarkable stability. Remarkable because the strains which resulted from inner squabbles and outer shakeups in the economic sphere have been--and are--dramatic. Rolf Presthus takes over the helm of a party with a considerable potential for growth. But aside from being elected enthusiastically, he does not get anything for free.

Willoch Stresses Social Gains

Oslo AFTENPOSTEN in Norwegian 19 Apr 86 p 12

[Article by Eivind G. Karlsen: "Sky's the Limit for Norway!"; first paragraph is boldfaced lead-in in original]

[Text] "The world's first fully developed welfare state where the problems of providing care are solved by a rational division of labor and in complete freedom: this is what Norway is qualified to be," said Prime Minister Kare Willoch at the Conservative Party's national congress on Friday afternoon. He also declared: "The sky's the limit for Norway in both security and freedom. We shall show the world that there's no conflict between these goals but rather that they are interdependent."

Willoch emphasized that the Norwegian economy is in much better shape than it was at the start of the 1980s, but again he cautioned: "If we prepare sensibly now, we can make the mainland economy so strong that we'll be able to hold our own despite the price wars which rage on the oil market.

"The solid show of activity in trade and industry with a wealth of enterprise and initiative, the sharp increase in jobs and the high level of investment--everything indicates that this opportunity is present," added Willoch.

A Vision

"We have a vision of a society where every single human being can take delight in material and cultural security and in the freedom to act and develop creatively.

"Because we are not dreamers and because we want genuine results, we will not pretend that economic obstacles do not exist. We have strengthened the country's economy quite substantially, but no one could manage in 4 or 5 years to buttress the economy sufficiently to withstand the loss of tens of billions of kroner in oil revenue without its having very tangible consequences."

Willoch pointed out that the foreign debt has been reduced considerably: "But after the dramatic drop in oil revenue, it may rise again so quickly that in a few years we will lose the capacity to pay our bills--unless we start in time to live within our reduced means." The prime minister warned:

Must Apply Brakes

"The oil price drop has opened up a precipice before us. That is why we must apply the brakes. Now the opposition also understands that the brakes must be used more, and it pretends it has felt that way all along. But why has it then kept that feeling a secret for so long? And as we apply the brakes, why is the Labor Party still constantly trying to sneak its foot onto the gas pedal so that we fail to negotiate the bend in the road and fall into the precipice?

Tax Cuts

"Taxes have been reduced in such a way that our present tax structure is perhaps the most conducive in Europe to the growth of industrial and commercial operations," pointed out Willoch, who vehemently rejected claims that the government's policy has created authentic social disparities among wage earners.

"This type of propaganda makes it necessary to establish that the reduction of the graduated income tax which we have managed to implement so far is still far from what we ought to do if we were to follow up on earlier statements from the Labor Party. 'The high graduated tax has become a cancerous growth,' said Knut Frydenlund in 1984. Does the Labor Party believe we should diagnose a cancerous growth and then not do anything about it?" asked Willoch.

Joie de Vivre

"Freedom, tolerance, joie de vivre, and self-reliance are onward-marching values," maintained Prime Minister Willoch. "We conservatives have often emphasized that the human being is our most important resource. One of the significant things we've achieved is a change of attitude in the direction of greater belief in the value of doing things oneself. We have come far in our efforts to make people feel secure and positive about themselves, about their own potential, about their ability to solve problems and meet challenges on their own. That is why more and more people look at needless bureaucracy and regulations as obstacles to their own development--and less frequently as protection.

Freer, More Open

"Our work for a more open society is a goal-oriented campaign for more freedom in domain after domain where the Labor Party has let regard for the individual fall to the wayside," stressed Willoch, who went on to point out, among other things:

"Especially relevant today is the Labor Party's battle against independent initiative as a supplement to government measures in public health care. There is complete agreement that the public health service must become increasingly better and remain the dominant part of the whole. But that is no justification for the Labor Party's demand that we halt the influx of new ideas and methods which can arise from a certain competitiveness between government efforts and private individual efforts."

At the same time, the prime minister challenged the assertion that private measures drain considerable funds from the National Insurance scheme. He stated that the National Insurance's reimbursements to private practitioners, i.e., physicians with no connection to the government, made up 0.36 percent of public outlays to the health service.

Obvious Task

"Public health-care and social-welfare services have had highest priority as long as the Conservative Party has occupied a position in the government," asserted Willoch. "Funds have increased at a rapid rate, and we have instituted reforms which will be significant far into the future. For us it is an obvious joint task to look after and help those who are sick or who for one reason or another cannot manage by themselves.

Meaningful Old Age

"The number of nursing-home accommodations has increased significantly in recent years, after a period of decline which stemmed from inadequate planning during the Labor Party's term. And it has been an essential all-out effort. But now the time has come to concentrate more of the effort on open care and to make conditions favorable for increased freedom of choice and for a more meaningful old age. We will therefore continue the expansion of domestic-help and home-nursing services, and we will provide incentives for more variety in the housing supply.

Kindergarten Openings

"We have concentrated on improving economic conditions for families with small children. What has been done is far from sufficient, but we are on the right path," emphasized Prime Minister Willoch. He observed, among other things, that entitlement to a pension and the right to reduced working hours for parents with small children make possible a more equitable division of housework and childcare between man and woman. The arrangement must become better known and further expanded.

"We have provided thousands of new openings in kindergartens, but many more are still needed. We affirm that it will be our goal to provide a place for all children whose parents want one, even though we recognize that there are limits to how quickly we can go forward," stressed Willoch.

Presthus Discusses Party Program

Oslo AFTENPOSTEN in Norwegian 21 Apr 86 p 3

[Article by Morten Malmo: "Conservative Party's New Chairman Offers Catchword: Concentrate on Quality!"; first paragraph is boldfaced lead-in in original]

[Text] "Health-care and social-welfare policy will be given the highest priority We will concentrate on quality in health care, education, and research." Thus reads the program statement from the Conservative Party's new chairman, Rolf Presthus, who was elected at the national congress in Oslo yesterday with standing, sustained applause. Presthus also fired this warning shot at the Labor Party: "The Conservative Party is ready. I am ready. Ready to encounter our main opponent, the Labor Party. Had that party's policies been implemented, Norway would now be in an almost hopeless mess."

Conservative Party representatives meet their new chairman with confidence and high hopes. Presthus was greeted with standing applause several times during the conclusion of the national party congress. "Rolf, there is no one I would rather give this gavel to than you," said outgoing chairman Erling Norvik when the change of chairmen took place. "I inherit not only a good party from you but also the applause," responded Presthus.

To All Counties

Next Friday Rolf Presthus will also replace Anders C. Sjaastad as defense minister, while Arne Skauge takes over Presthus's position as head of the Finance Ministry. Presthus began his work as Conservative Party chairman right after he was elected. Journalists stood in line to get interviews, the national-congress speech had to be written, and preparations had to be made for a press conference. Presthus stated at the press conference that he would visit all the county branches of the Conservative Party in the course of the year. Today he travels to see the Nordland Conservatives in Bodo, where he will stay until tomorrow. "I hope to get home by tomorrow evening to celebrate my wife Kari's birthday, but we might have to postpone the celebration until Saturday," says Presthus.

Mobilization

This morning Presthus will set to work for the first time as chairman in the Conservative Party offices at 20 Stortingsgaten, and he also has to participate in a government conference before his plane leaves for Bodo.

"My task now is to release and mobilize the great forces which exist in the Conservative Party. Much of our policy has been implemented since 1981. Since that time the Conservative Party has been Norway's leading party, but it has also borne great burdens. Now the time has come to mobilize the members to formulate a policy forward to the year 2000. This is a job for the party organization, not the parliamentary group or the Conservative group in the government. Here the party must be the center of political power."

In his speech and at the press conference after the national congress, Presthus discussed his double role as Conservative Party chairman and government member. "I will listen with two ears but speak with one tongue, and that will be the Conservative Party's," he said.

Concentration on Quality

Presthus strongly emphasized that the Conservative Party can get the maximum number of its policies implemented only by participating in government collaboration. He underscored that the concentration must be on quality if Norway is going to solve its problems better with fewer resources. This applies to the educational sector, public health service, and modernization of the regional development policy. Moreover, such a focus on quality must include improvement of the public sector, social-welfare services must be upgraded for those who need them, and public resources in general must be put to better use. He pointed out that this emphasis on quality also means an increased concentration on research and development, because they are essential for greater growth.

Thanks to Norvik

The new chairman also cordially thanked his predecessor, Erling Norvik, who now heads for Ostland and the post of regional administrator there. "The party has good reason to thank you. It was you and no one else who changed the Conservative Party from a 17-percent to a 30-percent party," said Presthus.

Continuity, Consensus Characterize Congress

Oslo AFTENPOSTEN in Norwegian 21 Apr 86 p 3

[Commentary by Bjorn Talen: "New Conservative Party Profile in Both Politics and Crew: More Heart Than Wallet"]

[Text] The Conservative Party's national congress was not an exciting show this year. But an interesting face-lift took place behind the uncontroversial staidness. Less emphasis than before was placed on tax relief and demands for material prosperity, while attention was focused on regional development policy, equality of status, kindergartens, social-welfare services, and community spirit. This year's national congress concentrated more on the heart than the wallet. At the same time, there occurred a crew change which fits in well with the new profile.

Continuity was preserved by undisputed leader Kare Willoch, the jovial Rolf Presthus, and the genial and inspiring Jan P. Syse. But behind this powerful triumvirate--it occupies the key posts of prime minister, party chairman, and parliamentary leader--there emerge relatively new faces which fill out the picture of the Conservative Party as a popular, broad-based party. Most national congresses seem to create their own stars, and this time it was Erlend Rian, Astrid Noklebye Heiberg, and Anders Talleraas who shined, in addition to the highly promising Syse, Jr.

Erlend Rian is first and foremost a response to the outlying regions' demand for a better geographic balance in the party's leadership. But the reception he received as new second vice-chairman indicates that he may become something more than a regional-policy alibi for the rest of the chairman collegium from Akershus. Rian is 44 years old, born in Faberg, Oppland, and has a bachelor's degree. He has been county secretary of the Troms Conservatives and was editor of the Tromso newspaper before he became mayor in 1980. He was reelected in 1983 despite the fact that in the meantime the Tromso city council had acquired a socialist majority. That should say something about his breadth and popularity. In purely political terms, he belongs to that segment of the party which leans most toward the center.

A newly elected member of the working committee is Anders Talleraas, who also recently assumed the important post of chairman of the Parliament's finance committee. He has been a fairly anonymous politician up until now, but people who have worked with him were not surprised when he provided a leisurely and humorous introduction to the debate on regional development policy at the national congress. Talleraas, 40, represents an exciting mix for the Conservative Party: economic life, Nynorsk, abstinence from alcohol.

The new minister of consumer affairs and administration, Astrid Noklebye Heiberg, 50, who as leader of the Conservative women is also on the working committee, does not represent these things. On the first day of the national congress, she set wage agreements and money demands to one side and spoke warmly about human values. The substance of what she said was not particularly revolutionary, but she did it in a way which deeply affected the delegates. The professor of psychiatry continues to be marked by a lack of political experience and clout, but even now there are many who see her as the Conservative Party's first female leader when Rolf Presthus retires.

Justice Minister Wenche Frogn Sellaeg, 48, was reelected to the working committee; she also adds breadth to the leadership. Despite the fact that she was born in Oslo, she is regarded as a district representative of Nord-Trondelag and as a Christian-conservative counterbalance to the markedly urbane liberalism which Kaci Kullmann Five and Arne Skauge, for example, are exponents of.

Ordeal by Fire

Arne Skauge resigned as second vice-chairman at this national congress, but the 38-year-old man from Bergen will not on that account occupy a less important spot in the picture. As finance minister during the upcoming rough times, he will be severely tested. If he survives the ordeal by fire without too many burns, the path will lie open for him. Strongly charismatic he probably isn't, but his sociableness and outstanding ability as political craftsman will stand him in good stead. Moreover, he will probably get Oystein Josefsen from the prime minister's office as his undersecretary, while Morten Steenstrup will apparently leave his post of undersecretary in the Finance Ministry to take over Skauge's job as Willoch's information officer.

All selections at the national congress were unanimous, and in addition to the working committee the following were chosen as members of the party's central board: Turid Wickstrand Iversen (Buskerud), Lars Lefdal (Sogn og Fjordane), Kari Vik Mariussen (Nordland), Kristian Sundtoft (Aust-Agder), Hans Svelland (Oslo), and Kari Thu (Rogaland).

Conservative Newspaper Assesses Congress

Oslo AFTENPOSTEN in Norwegian 21 Apr 86 p 2

[Editorial: "Pleasant National Congress for Conservative Party"]

[Text] Erling Norvik was certainly right when he said good-bye as outgoing chairman of the Conservative Party: it had been a "good and pleasant national congress, well-organized and well-executed." And we can safely add that it was a national congress marked by harmony and solidarity. There was not even the slightest hint of discord, dissatisfaction, or struggle here--indeed, not even the mumbling in the corners which one almost always encounters behind the scenes at national political congresses. In a sense, the Conservative Party gathering in Oslo must be characterized as quite unique. Typical of the cozy and convivial mood is the fact that the election committee's recommendation was approved unanimously and by acclamation--from top to bottom.

Hardly ever before in its history has the Conservative Party been more united. This unity will come in handy when the world of everyday politics reappears after all the laudatory speeches at the national congress. For everyone knows that the tasks and the challenges have never been greater for a Conservative Party in a government position.

Nevertheless, something essential was missing. Precisely because the Conservative Party is both a responsible and a conscientious party to a marked degree, there were many who expected the Conservative national congress to show how to solve the problems which Norwegian society is now grappling with. The dramatic drop in oil revenue and the ongoing impairment of our capacity to compete are just watchwords in this context. Even though it would have been asking too much for the Conservative Party to give a detailed and exhaustive response to the challenges of today and tomorrow, one could presumably have anticipated a stronger focus on ends and means, on guidelines for the future. Nothing of the kind occurred, however.

Each of the party kingpins--prime minister, party chairman, parliamentary leader--correctly analyzed the situation the fatherland finds itself in and mercilessly unmasked the almost uninhibited opportunism of the Labor Party. But the anticipated elucidation of the Conservative Party's own strategy was absent on this occasion.

In an era of inescapable economic belt-tightening, the most significant message from the Conservative Party's national congress is that problems in health care and social welfare will receive the highest priority. There is no talk about budget cuts here. Efforts will be redoubled, particularly in the area of care for the elderly. We also noted with satisfaction the thoughts of Leif Arne Heloe, minister of health and social affairs, on more efficient use of funds in the health-care and social-welfare sector. The new party chairman, Rolf Presthus, nicely followed up on this in his inaugural address when he declared that the public health service will be made systematically more efficient so that "people can get the health care they deserve."

For Presthus the goal is clear. The present assignment is to steer Norway safely through the rough weather which the dropoff in oil revenue has brought on. At the same time, the Conservative Party is faced with the great and challenging task of mapping out a course for the country in the 1990s. In his first speech as party chairman, Presthus formulated a series of suggestions for how we as a society can improve ourselves by aiming for higher quality both personally and professionally. He can count on broad support for these endeavors.

We wish Rolf Presthus the best of luck and congratulate the Conservative Party on its choice for new chairman. He is qualified in every way to make the party a trendsetter in Norwegian politics. With Presthus as party leader, the Conservatives are assured a safe course.

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LABOR ORGAN ASSESSES 'UNINTERESTING' CONSERVATIVE CONGRESS

Oslo ARBEIDERBLADET in Norwegian 22 Apr 86 p 4

[Editorial: "Barely Political"]

[Text] The comments following the Conservative Party's national congress were apparently rather unanimous: It was a pleasant congress, but politically it was rather uninteresting. Even the main organ of the Conservative Party, AFTENPOSTEN, was dissatisfied. The congress gave no signals about what political course the Conservative Party would follow to bring the country out of the problems which the Willoch government has largely created, and which are now being blamed on the decline in oil income.

Apart from the election of Rolf Presthus as chairman, something which was decided a long time in advance, we can not see that the Conservative Party congress approved a single resolution of political significance in the three days that the delegates were assembled in the Community Hall in Oslo. "Norway first in freedom and security." That was the main message from the congress. It would be difficult to create a more empty phrase. If one could be, it would be the Conservative slogan at the beginning of last year's election campaign, "We are happy!"

Conservative politicians have a wonderful elasticity. They always speak warmly about giving priority to those parts of politics that they have actually weakened the most in their own time in government. Therefore during the congress we heard warm talk about giving priority to health and social policies, at the same time as everybody knows that it is in these areas that the Conservatives have failed the most. In practice it has been proved that the Conservatives have given priority exclusively to private solutions at the expense of public assistance within the health and social sector. Unfortunately there is no reason to believe that the Conservative congress foreshadowed any new policies in this area.

The same can be said about the emphasis that the Conservative leadership now places on research and development. We are obviously in agreement that there is a need for giving priority to these ares. In practice, however, it has been seen that the Conservative Party is an obstacle here also. After five years with the Willoch government it must be said, as did one of the participants in the congress, that the investment in the research area, measured in terms of the GNP, is less today than it was in 1975. In other words the clock has been turned far back in an area in which the Conservative leaders speak warmly about giving priority. There is a long distance between life and teaching. And it does not bode well when the new party chairman,Rolf Presthus, speaks of the desire to raise the "quality" of the priority areas. We have the impression that he means that higher quality does not necessarily mean a corresponding growth in the budget.

In one area the congress expressed a clear desire. That was for a more evident district policy. Conservative Party representatives have noted that the party is missing out in the districts, something that the last election also pointed up. Here the Conservative Party would be moving into the Center Party's sphere of Norwegian politics. It would not surprise us if in the future we see sharp confrontations between the two government parties. The issue will be the establishment law, which the Conservatives hate like the plague, although it is the most effective instrument we have in district politics.

In one area the Conservative Party congress did not disappoint, and that was in scolding the Labor Party. There they had a policy to follow. It would have been better if the Conservative Party had clearly stated what their policy is.

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INTERPLAY BETWEEN PRD, PSD PARTIES, LEADERS

Dilemma in PRD's Future Position

Lisbon EXPRESSO in Portuguese 5 Apr 86 pp 23-25 R

[Article by Teresa de Sousa]

[Text] Is there or is there not a more or less tacit agreement between the PSD and the PRD that is secretly governing the conduct and the relationship between the two parties?

Is or is not an incidental agreement, that may be only parliamentary, being forged between the two parties in order to guarantee Cavaco Silva's minority government smooth sailing at least until 1987 when, according to some social democrats, one could again face the possibility of legislative elections that would make it possible to translate into votes the fruits of an administration finally in a time of the "fat kine."?

These questions, which today are in the order of the day find their raison d'etre in the almost daily conduct of the two parties in question and their root in the evolution of Portuguese political life practically since the breakup of the PS-PSD coalition and the 6 October 1985 legislative elections.

From the good understanding "at first sight" between the then still President Eanes and the new social-democratic leader, Cavaco Silva, to the actual statements of Herminio Martinho on the night when the fledgling PRD found itself at grips with the unexpected 18 percent of the Portuguese electorate, talking about the possibility of the viability of a PSD government "on the basis of a parliamentary agreement, for example," the PRD forces have shown themselves to be more or less open to a special understanding with the current prime minister in the name of "national interest" and of a political pragmatism which they describe somewhat euphemistically as "a way of being different."

The presidential elections, described today by the PRD forces as their "worst hour," were naturally a temporary hiatus in that convergence between the PSD and PRD united only in the defeat suffered by their respective candidates.

Today, the budget debate waged in the Assembly of the Republic is one more reef in the way of that apparent vocation for union revealed by the two parties, a debate destined to show above all that not everything is unanimous among the PRD forces, but also that, for both one and the other party, the moment for definition of longer-term strategies is not yet fully ripe.

The next PRD convention, very likely scheduled for June and where General Ramalho Eanes' real intentions will be defined, and the results of the next socialist congress today appear to be the two central pieces of the puzzle that Cavacoist and Eanist strategists will still need in order to define lines of political action that may prove to be convergent.

Precisely because both parties lack that important information, a relative prudence and, above all, an accentuated concern about secrecy are being maintained by both sides.

PRD: Pragmatism and Ambiguity

"We do not have to define alliances; we only have to show that we are a special mediator of Portuguese politics," a PRD leader told us, pointing out that because it seeks to be "a different party," the PRD supports dialogue "with all other parties, from the CDS to the PCP," including, of course, the government party...

In fact, it seems that in this relative ambiguity of a pragmatic party without a preference for alliances, the PRD has found the ideal formula to attract attention to itself. Seeting itself, as it insistently says, in the "center of Portuguese political life," the PRD makes the weight of the 45 deputies it obtained in the 6 October legislative elections count and seeks to overcome and dispel the memory of its subsequent election reverses in the local government and presidential elections.

It is an ambiguity that can make it both the indispensable support of the PSD minority government and, even though only in theory, the necessary and sufficient element to form an alternative of power with the PS that would make recourse to new elections unnecessary.

It is essentially in the name of pragmatism that the leaders of the PRD justify their frequent meetings with ministers of the Cavaco Silva government, the mutual consultations on such important matters as the state budget, currently being debated, the future proposals for the revision of labor legislation, or the farm "package" (including agrarian reform), that Alvaro Barreto is preparing to present in the Assembly of the Republic. At the same time, they guarantee that they are "immune" to other proposals of a more "participative" nature that are regularly addressed to them by the executive and which involve, for example, the appointment of personnel for the management of public enterprises.

In any case, the PRD does not hesitate to assume the role of special interlocutor of Cavaco Silva--the "loyal" opposition, in the view of the PSD, in glaring contrast to the Socialist Party, systematically lumped with the PCP in reference to a possible threat of the reconstitution of a "popular front," from which the government party is always careful to exclude the PRD.

Who Is Playing Whose Game?

That apparent strength as a "mediator" with which the PRD seeks to emerge on the political scene, however, may cover a relative weakness and relate to a phase of strategic transition that will only end when Eanes assumes the presidency of the party that was born in his image and in his shadow.

At some of its members point out, the PRD today is only (or essentially) its Parliamentary Group plus Gen Eanes. It is a party without a national organizational structure and without a solidly established central apparatus. It is recalled that, from the formative convention of Tomar until the presidential elections, it based itself either on the machinery and influence of the Presidency of the Republic itself, on the embryonic Pintasilgo organization or, finally, on the PCP apparatus, when it sought to support the candidacy of Salgado Zenha.

The political ambiguity of the parliamentary practice of the PRD forces, therefore, could be more the result of simple circumstances than of a defined strategy, properly speaking, or of "a political conduct different from that of the other parties," as its leaders claim.

Moreover, the events stemming from the parliamentary debate on the state budget may be the best example of that.

When the PRD emerges at the side of socialists and communists in taking a common position, that fact is perhaps due much more to the individual action of important deputies (independents) such as Silva Lopes or Magalhaes Mota than the result of a policy studied and defined by a political party leadership. A leadership that clearly prefers not to jeopardize its good relationship with Cavaco will not consider itself to have sufficient authority (because Eanes has not yet arrived...) to prevent the "indiscipline" of some of the main personalities of that bloc.

From a Swing Party...

Basically, the question that seems not yet to have been clarified (and which, moreover, does not elicit identical responses from the various leaders of the party) is what the PRD will be in the future, after having been the "hope" of the Communist Party and being today the "delight" of Cavaco Silva.

Should the PRD assume the role of swing party of the Portuguese political spectrum, accepting its position as a small party that determines the alternation between a large liberal party and a large socialist party? Or, on the contrary, as some of its leaders advocate, should it join a political bloc on a term basis, preferably with the Socialist Party, provided that the latter does not aspire after (or achieve?) dominance?

This political ambiguity, furthermore, relates to a phase of relative lack of internal definition that will persist until next June's convention and will only end with the handing over of leadership to Ramalho Eanes. Because, paraphrasing a PRD deputy, "a situation in which Eanes sends messages is very different from another in which he discusses directly with us..."

In short, what does Eanes want of the PRD, or what does the PRD want of Eanes? That is what needs to be resolved internally so that what will be the future role and even the political terrain of this party--in which it is reiterated with some indifference that "Portuguese politics does not need great ideological definitions..."--will be much more clearly evident.

...To Another Central Bloc

For the time being, with reference to Eanes' political conduct, the aforementioned (reciprocated) "predilection" of the former president for the PSD leader also evokes the probability of another course for the PRD--which could be the attempt to revive the Central Bloc (always so dear to Eanes as a theoretical possibility), with the PRD in place of the socialists.

In this case, the possibility of the PRD as a swing party in a political system progressively tending toward a two-party system would be set against the strategy of a large reformist central political blow in which Eanes could have the role of complement to Cavaco Silva.

PSD (Also) Waiting

But can this be what the PSD will ever want?

That is the other unknown that remains in this apparent preferential understanding between the social-democrats and the PRD forces. An unknown that, beyond the various expressions of appreciation voiced by the government and by the PSD for the "good parliamentary conduct" of the PRD forces, lies in the matter of knowing what political strategy the next PSD Congress scheduled for the end of May will decide on this matter.

And here, the social-democrats are equally prudent.

The near future of the Socialist Party appears to be the decisive element that they (social-democrats) lack to define a strategy of parliamentary alliances or understandings that a minority party situation necessarily demands, when they have at their right side a CDS that Adriano Moreira should continue to control and the number of deputies of which is not enough to represent a majority.

In any case, the position of the PSD today is undoubtedly much more comfortable than that of any of the other parties with parliamentary seats, not only because it has a defined leadership, but also because the degree of popularity and the image of effectiveness achieved by Cavaco Silva enable it to face with relative calm each and every "offensive" of the parliamentary opposition certainly much more fearful of facing new elections than the government party itself.

The 'Popular Front' Bogey

The only concern revealed thus far in the parliamentary action of the social-democrats seems to be to try to impart a radical image to the PS, accusing it systematically and on any pretext of embarking upon a "popular front" strategy with the PCP, shrewdly taking advantage of the stage of relative "self-management" in which the Socialist Party finds itself, and flaunting before it the "pragmatic" and "responsible" conduct of the PRD.

Is this strategy merely intended to dispel the specter of a PS-PRD alternative to the Cavaco Silva government, increasing the prime minister's maneuvering room in relation to parliament or, on the contrary, does it involve longer-term objectives?

That is another question that only the successive proceedings of the PSD, PRD, and Socialist Party congresses by the end of June will be able to answer. And while it is true that the government needs the PRD to gain the approval of measures such as the liberalization of labor laws, the granting of TV to the church, or the "farm package," the PRD forces will be all the more dependent on the government since their "responsible opposition" and their fear of new elections places them in the uncomfortable position of always having to be the ones to guarantee the viability of Cavaco's proposals...

The position of the PS can undoubtedly become more comfortable because it is not only rejected the present government's program in parliament but, for some time at least, it can enjoy the privilege of playing the role of the "heavy" to the PSD; and all the more comfortable still since a possible refurbishing of the PS's image at its forthcoming congress would leave the two parties that are having a "honeymoon" today relatively worried.

Scenarios for Cavaco Silva, Eanes

Lisbon SEMANARIO in Portuguese 5 Apr 86 pp 4-5

[Text] 1. Cavaco More Dependent on Eanes and the PRD

The scenarios of the interrelationship between the PSD and the PRD are gaining a new perspective with the probable outcome of the CDS Congress.

Until now, the prime minister and the PSD had relative maneuvering room to the right with the CDS, and to the left with the PRD.

A CDS weakened by the victory of one faction over another, or others, results in an increase in the relative weight of the PRD and its leader of always, Gen Eanes.

If, in addition to that, the winner is Dr Adriano Moreira, as appears more and more likely, then Dr Cavaco Silva, whose liking for Dr Morais Leitao is well known, will lose a special ally.

For the PRD and for Gen Eanes, this epilogue to the CDS Congress is very enticing, because it puts the government and the PSD even more in his hands than they have been in recent days.

So the first and most obvious scenario in the PSD-PRD and Cavaco Silva-Ramalho Eanes connections in the coming months is the urgent need for the former to tighten their ties with the latter.

Obviously, the PRD and Gen Ramalho Eanes also gain from retention of the government and especially from the nondissolution of parliament. An off-schedule legislative election, with a PS in the process of change, could cost the PRD forces a tremendous failure.

But let us not be confused: at this time and until proof to the contrary, the government and the PSD need the PRD more than it needs them.

And at least for now, Gen Eanes can serve as the friendly fireman who helps put out the fires that are threatening Dr Cavaco Silva and his executive in parliament.

2. But Eanes Plays Hard-To-Get and Delays the Political 'Timing'

To "secure" the PRD, Gen Eanes has had to intervene promptly, as was seen last week, which is not always easy inasmuch as he remains outside the party waiting to assume its nominal leadership.

Being a leader at a distance and being a leader on the spot is not exactly the same thing, especially when the decisions pertain to the daily activity of the Parliamentary Group.

Consequently, it would be preferable for Dr Cavaco Silva if Gen Ramalho Eanes were immediately to assume the position of president of the PRD instead of continuing to be present-absent. Perhaps the scares would be less frequent and less intense.

However, Gen Ramalho Eanes does not go along with that speed-up of the political timing. On the contrary, he seems bent on delaying his much-talked about entry into the PRD from June to July.

Eanes knows that, in the short term, he is not going to lose his real and powerful influence over Dr Cavaco Silva's government and he wants to wait to see what will be the outcome of the PS Congress, which will not be held until June.

3. Cavaco--Yes, for Now, Until He Sees if Constancio Wins

The scenario for the Eanes-Cavaco rapprochement is going to dominate the next quarter of national political life, until it is learned whether it is Dr Vitor Constancio or Dr Jaime Gama who wins in the PS.

As of July, Gen Eanes can already choose from among three different scenarios:

Scenario 1--Advance to the leadership of the PRD, maintaining the tacit pact (or even making it explicit) with Dr Cavaco Silva and the PSD;

Scenario 2--Advance to the presidency of the PRD but changing policy and favoring an understanding with the PS and an opening toward a government solution that equates with succession to the PSD minority government;

Scenario 3--Remain outside the PRD for a little longer in order to permit further clarification of the political situation in parliament and in the government.

All of these three scenarios have pros and cons, and the first two reflect basic choices much different for the future of the PRD and especially of Gen Eanes himself.

The third is equivalent to not choosing, to letting another 6 months go by without taking the unnecessary risk of a misstep.

4. Scenario 1--To Opt for the Right and Want To Be Cavaco's Ally

The basic guideline of the first scenario for after July seems relatively obvious: lean the PRD toward the right to the detriment of its penetration in the left, staking on an "entente" with Dr Cavaco Silva and the PSD.

It would be Gen Eanes fighting Dr Soares, arm-in-arm with Dr Cavaco Silva.

Militating in favor of this scenario is the mutual political and personal attraction between Gen Eanes and Dr Cavaco Silva, the relations that are being established between the PRD and the PSD, and the equally perceptible bitterness felt by Gen Eanes and Dr Cavaco Silva toward Dr Mario Soares.

A victory by Dr Jaime Gama in the PS Congress can even redound in favor of it. Gen Ramalho Eanes' understanding would be more difficult with Dr Gama (a Soares stalwart), which can accelerate his option in favor of Dr Cavaco Silva. But many important arguments array themselves against Scenario 1; as many as those that favor preference for Scenario 2.

5. Scenario 2--To Opt for the Left and Want To Cast His Lot With Constancio

Scenario 2 returns to the opposite of Scenario 1: the progressive abandonment of the "entente" with Dr Cavaco Silva, and rapprochement with Dr Vitor Constancio, clearly opting for the left, with ideal maneuvering room for the PRD.

It would be Gen Eanes fighting Dr Soares, arm-in-arm with Dr Vitor Constancio, an even more consummate formula than the previous one.

What can lead the general to want this scenario?

Realism regarding the PRD's electoral base, which is 80 percent or even more from the left and not the right, and which tolerates tactical agreements with Dr Cavaco Silva but can move to the PS and the APU in the event of an excessively rightist swing by the party; the fact that the majority of the leading and parliamentary cadres are from the left; and the precariousness of the present minority government and the extreme difficulty of maintaining it indefinitely.

If Dr Vitor Constancio wins in the PS Congress, the temptation to adopt this scenario could rise in intensity.

The fact is that with Dr Gama at the head of the PS, a PRD-PS dialogue is more complex, and by "stretching" the life of Dr Cavaco Silva's government, Gen Eanes can gain time for the moment of the decisive test of the neo-Soares PS's capability.

With Dr Constancio in the leadership, dialogue is easier, and it can be fatal for the PRD to give a renovated PS too much space to the left by remaining in or reinforcing the "entente" with Dr Cavaco Silva.

6. It Will Not Be Easy To Evade the Choice

The third course, which would be once again to delay Gen Eanes' move to the PRD is convenient but is possibly not viable.

A party cannot live eternally waiting for Godot, who only appears when it suits him.

In short: from April to July, Gen Eanes will probably be a strong endorser of Dr Cavaco Silva and, short of moving mountains, will guarantee everything that suits the prime minister.

From July on, everything will also depend on the PS Congress and the choice that Gen Ramalho Eanes and the PRD want to make for 1987 and 1988: to be the left endorser of the right in power and, by guaranteeing it, end up casting their lot with the right; or to be the right [wing] of the left in the opposition, that may go on filling the political center without renouncing the 15 percent of the voters they drew from the PS and the APU.

Or, in other words, to fight against Dr Mario Soares and the political dominance of the PS for the right and in the right; or to do so in the left itself, in which the PS hopes progressively to broaden its electoral base after June.

Gen Eanes has 3 months in which to choose, with Dr Cavaco Silva semi-hanging on the choice; but only "semi," because Dr Cavaco Silva has the necessary and sufficient capability to understand when a politician can and must anticipate events...
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BIOGRAPHIC DATA ON PRD'S 'STRONGMAN'

Lisbon TEMPO in Portuguese 18-24 Apr 86 p 7

[Text] Born to politics in actuality during a recent National Council of the PRD, Antonio Lencastre Bernando made his debut last weekend in his position as secretary general of the PRD by opening the proceedings of a meeting promoted by his party's Lisbon Council Committee.

A career military man, Lencastre Bernardo has been mentioned for a long time as Ramalho Eanes' right arm in terms of organization. Thus, no one found it strange that immediately after the case of the false signatures during the December local government elections, Ramalho Eanes placed his old office chief in the PRD apparatus: the party was shattered by scandal, undermined by innumerable interests and, especially, enveloped in complete disorganization.

Eanes hesitated. There was even talk of the possibility of the natural leader of the PRD allowing the party that was born in his image to collapse...the former chief of state is an expert in finding the right people for the right places.

Eanes would end up recommending Lencastre to Martinho as secretary general of the PRD, a position that he began to exercise in practice in December. The formal assumption would not occur until the National Council of Aveiro, however, when the councilors approved by unanimity and acclamation a proposal by Herminio Martinho that named Bernardo as secretary general of the PRD. It should be mentioned that the position of secretary general is not provided in the PRD statutes so that, in principle, its creation could occur only after revision of the statutes. Thus, Lencastre is a unique secretary general: a priori, he does not have any political functions; all he has is an administrative role of organization of the country.

However that may be, the truth is that with his entry the PRD appears to have gained a new spirit. There is now interlinkage between the regional structures and the party's national organs, and the work is planned, unlike what occurred previously.

Eanes appears to be satisfied and his entry into the leadership of the PRD is an assumed fact. The PRD can now help him develop his political strategy and not degrade his image.

For the future, it is certain that the PRD is going to be totally led by Eanes and Lencastre Bernardo, a pair that has been working together for some years.

Born in Aguiar da Beira 45 years ago, Lencastre Bernardo has held various positions in the area of the Presidency of the Republic since 1976; security affairs adviser (1976); adviser for local and regional government (1979-1981 and 1983-1985). In 1982, he was interim office chief for General Eanes.

Married and with two children, Lieutenant-Colonel Lencastre Bernardo completed various civilian and military courses (history course in the School of Letters of the University of Lisbon, artillery course in the Military Academy, general staff course and action internship, both in the Institute for Advanced Military Studies). At the present time, he is studying for a master's degree in African studies at the Superior Institute of Social and Political Sciences.

Lencastre Bernardo was an instructor in the Artillery Drill School and in the Military Academy, aide-de-camp to the deputy chief of the Army General Staff. Between 1966 and 1968, he served a tour of duty in Mozambique, and between 1970 and 1972, in Angola. After 25 April 1974, he was an assistant to the commander of the PSP in Lisbon (1975-1976) and assistant director of the Judiciary Police (1977-1979).

The holder of various national and international decorations, Bernardo Lencastre very early distinguished himself by his qualities as a strategist. In the area of the Presidency of the Republic, his organizational ability earned him Ramalho Eanes' favor.

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FOREIGN TRADE INSTITUTE SEEN UNDER PC INFLUENCE

Lisbon O DIABO in Portuguese 15 Apr 86 p 7

[Excerpts] The case of the Portuguese Foreign Trade Institute (ICEP) is again the subject of comment: the administration of that state agency is currently conducting a review of the financial management of the various delegations spread out around the world.

The main objective of this measure is to prevent new scandals similar to the one that occurred with the ICEP director in Paris, Dr Emidio Roque da Silveira Manteigas, who confessed to the diversion of thousands of contos from the delegation that he directed.

The successive reorganizations of the institute have not made it more effective. With the exception of Europe, there has been a sharp decline of Portuguese exports--strangely enough, to the countries where the institute has opened delegations... That is what is happening in Algeria (a drop of 1.5 million contos between 1984 and 1985), Mozambique (2.5 million contos); Egypt (2.5 million contos), and Saudi Arabia (half million contos).

The 'Red Admiral's' 'Vesper'

Another fact that deserves to be emphasized is the well-known influence which the PC exercises in the ICEP's key positions. As a matter of fact, many of the leadership positions in the various departments are in the hands of members and sympathizers of the PC. Such is the case of the chief of that party's cell in the institute, Piedade Valente, who is in charge of the Export Development Service; Margarida Cardoso, the director of the Markets Department; and Lourdes Carrola, placed in the office of support to the board of directors with access to the meetings.

It is that PC influence in the ICEP that "explains" the privileged position enjoyed by the "Vesper" Company, directed by Rosa Coutinho and Major Corvacho, in relations with the African market (especially with Angola).

It should be mentioned in that regard that, despite the fact that the ICEP did not participate in the Luanda International Fair, "Vesper" headed a group of companies that went to that fair.

Rosa Coutinho, the "Red Admiral," has already been the subject of press preportage that suspects him of being one of the intermediaries in the contracting of Portuguese mercenaries for the MPLA ranks.

Another issue that aroused controversy within the ICEP pertains to trade relations with Iraq and Iran. According to a source in that agency, that controversy was connected with the situation of special privilege that Iran has enjoyed with regard to the export of arms and military equipment manufactured in Portugal. That issue has even aroused a conflict between the Iraqi Embassy in Lisbon and the president of the National Defense Industries (INDEP), General Casimiro Proenca.

It is interesting to note in this regard that unlike what is happening with Iraq, Portuguese exports to Iran have increased signficantly: 3.3 million to 11.2 million in the last 2 years.

Dr Carlos Juliao, appointed interim director of the ICEP in Paris, has been the "spearhead" in the dealings with Khomeini's country. With carte blanche to travel between Teheran and Lisbon and vice-versa, Dr Carlos Juliao is a close confidant of the vice-president of the institute, Pinto Guimaraes, who is responsible for promotion.

Pinto Guimaraes even headed a delegation of Portuguese businessmen that went to Iran last August--a trip that was announced in the press only after the delegation was already in that country.

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SUB-GROUPS WITHIN RIGHTIST MOVEMENT REVIEWED

Lisbon O JORNAL in Portuguese 11 Apr 86 p 14

[Text] How many rightist groups are there in the Portuguese Right? Jaime Nogueira Pinto, one of their sharpest analysts, suggests five to us with a hint of sarcasm:

The Traditionalist Right--Catholic, with monarchical and Salazar sympathies, it regards the French Revolution as the root of all evil. Socially it is situated between the upper middle classes and the middle class, in traditional but financially weak families;

The Muscled Right--It is authoritarian, and favors immediate action and violent solutions. It cultivates nationalism and sympathy for strong-arm regimes and scorns communism and partisanship. It longs for a return to the Salazar era. It recruits from the middle and lower-middle classes and aspires to mobilize the people in the provinces;

The Conservative Right--It is liberal in economic matters, realistic in foreign policy and distrustful of romantic values. Culturally it favors the classical and socially its members are from the upper or upper-middle classes. Reagan's America is their paradise;

The Liberal Right--It is conciliatory, optimistic and open, and tends to exacerbate economic factors and parliamentary democracy doctrine. It rejects any solutions involving force or authoritarian solutions. It downplays historical and nationalist aspects, and is a believer in economic cosmopolitanism and Europeanism. Its members are the offspring of groups linked to the technocrats and Marcelist liberals. Culturally it follows the current fashion imported primarily from France;

The New Right--It attaches great importance to cultural power as the motor for political change. It tends to be nationalistic and to defend the primacy of ethics over economics. It prefers fantasy, science fiction, cartoon strips, and war games. It is very tolerant of different styles of dress. Its members come primarily from the new generations of university graduates from the middle and upper-middle classes.

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POVERTY PROBLEM AS VIEWED FROM RIGHT, LEFT

Lisbon EXPRESSO in Portuguese 5 Apr 86 p 3

[Text] Recent statements by the most outstanding leaders of the Portuguese Right have been showing a particular concern for the poorer classes.

During Freitas do Amaral's campaign for the presidency of the Republic, he spoke various times about the issue of arrears in wages and the plight of the slums.

More recently, Adriano Moreira, in his campaign for the top position of the CDS, talked about his concern over the problems of the poor--in line with the Church's social doctrine.

This attitude by the Right has shocked the Left.

Aren't the leftist parties the ones who struggle to improve the lot of the poor and downtrodden?

Aren't the leftist parties the only ones who have a moral right to speak on behalf of the lower classes?

It would be naive to state the problem in these terms.

It is obvious that no party can help but address the problems of the poor, for the simple reason that if it were to concern itself uniquely with the rich, it could form a club but never a party. In a poor country such as Portugal, all the major parties, from the PCP to the CDS, will always gather the great majority of their votes from among the poor and middle-classes.

But if this is the situation, then how can we differentiate between the Left and the Right?

The distinction is easy to make.

The Right believes that it is not necessary to do away with the rich to improve the lot of the poor; the Left (or at least the traditional Left) believes on the contrary that in order to do away with poverty, first the rich must be eliminated.

As you can see, the problem is stated in terms of the rich and not in terms of the poor.

The one side speaks of what the rich need to do, and advances the idea that the government should support the rich and encourage them to invest, because in this way stronger and more prosperous firms will be established and more jobs will be created, allowing the poor to improve their lot.

The other side advocates the need to do away with the rich, saying that until the rich are eliminated, man will continue to exploit man and the poor will continue to become poorer.

It is evident that it is the Right's position that is the logical one in this philosophical discussion. In capitalist countries, where the rich have been favored, the standard of living of the majority of the population is substantially higher today than in Socialist countries where the rich have been eliminated.

The real problem is that neither the Right nor the Left speaks out clearly, and that is why we have this confusion.

The rightist parties are afraid to say openly that what is needed is support for the rich, because if they were to say this, they would risk losing a large number of votes.

The leftist parties, conversely, are afraid to say in clear terms that what is needed is to do away with the rich, since if they did that, they would lose funds.

This is why everyone is talking about the poor.

But, to repeat, what distinguishes the Right from the traditional Left is not their stands with regard to the poor, but rather their position with regard to the rich.

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CRITICAL VIEW OF NATIONAL QUALITIES, DEFECTS

Lisbon EXPRESSO in Portuguese 5 Apr 86 p 8

[Excerpts] "Portugal is a paradise and a country without problems." This phrase recently appeared in bold type as a heading in a Lisbon newspaper which attributed it, without comment, to an important foreign ambassador in Portugal.

Despite all evidence, which would lead few Portuguese to think of paradise in those terms, the phrase is not surprising, since we are already so accustomed to meditating on the truths that foreigners discover about us.

Of course we all have an opinion about what we are and are not going to be. When a foreign observer gives an analysis of our elections, climate or economy, it is in the form of an unassailable assertion--quoted with the inevitable hype throughout the Portuguese press.

Condescending and Critical

When we come back from a trip to another country, we are the first to admit that, in the end, there is nothing like our controversial "paradise."

Nevertheless, we spend our lives grumbling about the chronic backwardness of the economy, the meager job opportunities, the disorganized state of everything, the small-mindedness of our leaders or the poor manners of our next-door neighbor. The truth is that among these national foibles, we all find one counterpoint or another which strikes our fancy a little.

We praise and criticize the qualities that are our defects and vice-versa in an ambivalence that could in and of itself be viewed as unhealthy or creative, fatalistic or resolute, uncharacteristic or genuine.

We are condescending and critical, patient and demented, as the situation requires. We cultivate an implacable sarcasm which marks the agenda with anecdotes spread rapidly by that foreign country. But this is not why we are less charitable or indulgent towards the professional who is not doing his job, or the artist who does not excel or the politician who is not useful.

We have beneath the surface lazy rebelliousness transmitted, they say, by intermarriage with the Arab invaders. But we nurture a healthy aversion toward the discipline and methodical ways of our new European "invaders" to whom we gave a timid yes quite recently.

We have a class of workers which is not hard-working. But we all pride ourselves on the fact that outside the country, our workers are the ones who work most and best.

We are horrified by the lack of cultural leadership which hinders our collective creativity and denigrates our national image. But it is difficult to find people in any metropolis in the world who are simultaneously as well-informed about American literature, Jack Lang's policy, the Japanese cinema, or night life in Madrid, as our dulled and inhibited intellectual elite, who are completely up-to-date on everything the admired international jet set is doing.

We bitterly envy our Spanish neighbors who, in a stroke of the pen (i.e., in two decades), have left us alone at the bottom of all European charts. But we melt into friendship when thousands of our "brothers" invade us during Holy Week with sacrilegiously welcome pesetas.

A Unique, Confused and Illusive Country

We have some remarkable periods of history behind us. But this is not why we regard with less humility and gratitude another country that might deign to put us on the map.

We are not economically part of Europe. We are not culturally part of the Third World. We are not even the Iberian Peninsula. What are we then?

Let's leave the reply to the foreigners and wait for them to define this confused, unique and illusive country, doomed to become another abstraction listed absent-mindedly in the huge world atlases.

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BRIEFS

POSSIBLE CHANGE OF CGTP-IN LEADERS--If there is a political "opening up" within INTER, as was first seen months ago, Jose Luis Judas and Kalidas Barreto may be elected CGTP-IN secretary-general and president, respectively, defeating the more orthodox and partisan management and operational approach which has been predominant in the labor federation. The CGTP-IN, which is commemorating its 16th anniversary, has been directed up to now by an executive secretariat which operates in a collegial fashion, is overwhelmingly dominated by the PCP, and is made up of a team coordinated by Armando Teixeira da Silva. However, according to union sources, the "growing need to open INTER up politically to prevent it from becoming isolated," and an attempt to "initiate a process of change," should lead to the creation of the posts of secretary-general and president, similar to what is found in other European labor federations. Thus, according to the same sources, Kalidas Barreto (independent, a former militant Catholic, ex-PS and ex-UEDS) and Jose Luis Judas (a PCP militant identified with the party's less orthodox and partisan ranks) would win out over Manuel Lopes (ind.) Alvaro Rana, Armando Teixeira da Silva, Jose Ernesto Cartaxo Pacheco Goncalves and Florival Lanca (all PCP militants). Scheduled for 29, 30 and 31 May, the Fifth CGTP-IN Congress will for the first time recognize the federation's rightist leanings. [Text] [Lisbon SEMANARIO in Portuguese 12 Apr 86 p 64] 9805/9435

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PACIFIST LEADER ASSESSES REFERENDUM, ELECTIONS

Madrid EL PAIS in Spanish 6 Apr 86 p 16

[Interview with Rafael Grasa of the Pacifist Coordinating Board by Carles Pastor; date and place not specified; first two paragraphs are introduction]

[Text] Rafael Grasa, a 32-year old professor of philosophy at a Badalona secondary school, is one of the three spokesmen of the Pacifist Coordinating Board in Catalonia. With links to the Antinuclear Committee of Catalonia and to the magazine EN TIEMPO DE PAZ, this former member of the Unified Socialist Party of Catalonia (PSUC) also sits on the editorial board of MIENTRAS TANTO, a Marxist publication put out by the disciples and friends of the late Manuel Sacristan. His ideological and political leanings are thus clear. Within the Peace Movement, Grasa identifies with those who advocate what he calls "radical pacifism," that is to say, nonviolence.

Barcelona--His assessments of the results and consequences of the referendum are strictly personal, inasmuch as the Spanish Coordinating Board of Pacifist Organizations (CEOP) has postponed its official analysis of the vote until 19 and 20 April. The meeting held 4 days after the referendum could not concur on an analysis, and there had not been enough time to consult the members of the many different rank and file committees. A defeat or a moral victory. Acceptance of the referendum's outcome. The future of the peace movement. The following interview revolves around these three issues.

[Question] What is your assessment of the yes vote victory?

[Answer] My personal opinion, which I share with my comrades at MIENTRAS TANTO and TIEMPO DE PAZ and with the nonviolent school of thought, is that regardless of what may be said, we lost. There was no moral victory or anything of the sort. We had believed that victory was possible. In any event, we were prepared to lose by four or five points, no more. The 13 percent margin was a terrible surprise to us. It is a major blow, and we must not forget it. This does not mean that we underestimate the significance of the 40 percent no vote. On the contrary. The administration thought that it was going to lose and that it had to play hardball, which it did. The administration brought about the shift in opinion over the last few weeks, because I think that the polls that had the no votes in the majority were accurate. But the fact is that we did not succeed in fostering total voter indiscipline, in undermining the party vote, which is what we were after.

We have to accept our loss, accept the result, but this does not mean concurring with it. It's like when a party runs on a platform and loses an election. The platform does not cease to be valid for the party and its followers, even though it of course abides by the decision at the ballot box. The peace movement must do likewise. The referendum is binding, but this does not mean that we cannot keep on demanding withdrawal from NATO. This is not undemocratic. The arguments that we set forth in the "counter decalogue" will still hold and will become clear. This implies that along with other European pacifists we will try to shatter the dynamic of the blocs and, why not?, force a new referendum in the future.

The Labor Vote

[Question] Why do you think the administration won the referendum?

[Answer] We know that owing to blackmail and fearmongering, the yes votes won a majority. We are not going to change our ideas; what we have to change is the vote of the majority. We have to bear in mind the conditions under which the administration posted its victory. Contrary to what the administration itself was saying, it made a plebiscite out of the referendum. It succeeded in confusing public opinion. The manipulation of TVE [Spanish Television] was brutal. Such manipulation has not been seen since the Franco era, at the 1966 referendum, when Fraga was minister of information and tourism. This was the decisive reason why people changed their minds so abruptly; Manuel Sacristan called it "assaulting people's minds." And this will have grave consequences for democracy in this country and shows that NATO is as violent and as corrupt outwardly as it is inwardly.

[Question] In any event, there is evidence that the working class areas voted yes.

[Answer] There are structural reasons why the assaulting of minds worked. One is the country's low cultural level. The Education Ministry acknowledges that there are 15 million functional illiterates in Spain. This is the only explanation as to why it was so relatively easy for TVE to change people's minds. Any political group must bear this fact in mind and reach all segments of society. Another structural factor that explains the outcome is the lack of cultural values for leftwing resistance among the working class. When people do not have a class consciousness, they can even vote against their own class interests. This is what happened. It was very painful to see the industrial belts, where the proletariat lives, and the areas hard hit by reconversion vote overwhelmingly yes. They believed the argument that remaining in NATO would reduce unemployment, when the opposite is true: the higher the military spending, the lower the social spending. They voted this way because Felipe Gonzalez has a credible image. But before the transition these voters believed in other people too. This is the tragedy of the transition for the Communist parties.

These observations also have their consequences for the peace movement: we have not reached these segments of society. The unions that were actively involved in the no vote campaign were not able to reach these segments of society either.
[Question] What future does the Peace Coordinating Board have after the defeat and now that Spain will remain in NATO?

[Answer] I think that the future of the peace movement, which is larger than the CEOP fortunately, is hopeful, to the extent that it can raise underlying issues and stop being vague. In the months to come it ought to bring up various issues, such as in-depth cultural work, fostering education for peace, the problem of violence...

[Question] In the Basque Country?

[Answer] Yes, in the Basque Country. This is an issue on which there has been a great deal of deception, that will cause arguments and on which we might not reach an agreement but it will strengthen the movement's nonviolent side.

The future of the movement will depend on several factors, mainly its ability to get through to the segments that it has not reached (the labor movement essentially), to strengthen the bonds with what remains of the environmental movement and to bolster relations with Christian groups and, above all, with young people.

Young people between the ages of 13 and their early 20's are extraordinarily receptive to antiwar and pacifist values and support a different, an alternative way of practicing politics, as an exercise for all citizens and with participative assembly arrangements. We have to speak out against the degeneration of democracy in industrial societies, in which policies are constantly being put to plebiscites and politics has become, as Sacristan said, "the art of leading peoples where they do not wish to go." Many young people who were not going to vote did vote in this referendum, and they voted no, because they felt that this was a specific choice in which they had a say, instead of just giving some party free rein.

The CEOP and the Ballot Box

[Question] The political parties and the public are waiting to see what role the peace movement might play in the forthcoming elections. There are talks going on between the PCE and the other members of the Civic Platform.

[Answer] The CEOP clearly realizes that it is a social movement and cannot, as the Coordinating Board, go the electoral route. It is also clear, though, that if any group in any Spanish nationality is in a position to run in the elections on an alternative platform (not to rebuild a party in crisis, as some are endeavoring to do), then it might do so. Getting pacifists on party candidate lists as independents is not an alternative either. The real aim is by 1990 or whenever to shatter the current party system, which is too narrow.

[Question] Aren't your fears of being used as a tool excessive? Isn't it right to support a party that agrees with most pacifist stands?

[Answer] There are various fears within the CEOP. The primary one, and it is legitimate, is the fear of destroying a movement that enjoys credibility and strength because it has taken a different approach. If it changes, it could lose credibility. Another fear: being used by a party that has no intention of pursuing a different policy and that instead seeks merely to use the peace movement to rebuild itself. A leftist alternative here depends on more than just a party putting together a platform. The leaders of these parties have no credibility. The clearest case is Santiago Carrillo.

[Question] Isn't this fear of being made a tool of the parties exaggerated?

[Answer] We're suspicious. The campaign against NATO was too short-lived an issue for them [the parties]. I'm happy that the PCE is clear on the issue of the bases, but it wasn't before. It has engaged in self-criticism, but very timidly.

The danger for the peace movement lies in being used directly or indirectly to rebuild political parties. The movement must maintain its autonomy vis-a-vis the parties. We say yes to having party activists in the movement, but we say no to their trying to impose party policies. We would lose credibility, pluralism and our different approach, which is what has set the movement apart.

The great virtue of the peace movement is that it has gotten through to many people who were disillusioned with politics. It has brought out onto the streets many people whom no one had rallied for years. And for the first time it has enabled segments that were known as "dropouts" to become involved in politics.

[Question] You describe yourself as a nonviolent pacifist. But is there such thing as a pacifist who defends legitimate violence or violence depending where it comes from?

[Answer] You cannot be a pacifist who defends life and engage in violence. I estimate that a very high percentage of the Coordinating Board shares my view, but we must strengthen a radical pacifist position of nonviolence. We must see to it that elements of the pacifist culture, above and beyond NATO and the bases, are accepted by all. For example, we advocates of nonviolence attach great importance to civil disobedience. People must understand that a government is in power, among other reasons, because it has the consent of the governed. Disobedience to government is legitimate, even if the government is democratic.

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NO UNIFICATION OF COMMUNIST PARTIES EXPECTED

PCE 'Strategy' Criticized

Barcelona LA VANGUARDIA in Spanish 25 Mar 86 p 13

[Article by Jose Maria Brunet; first paragraph is introduction]

[Text] The various communist groups have resumed their dialogue with an eye towards the upcoming elections. Unity appears to be a distant goal, however. The groups run by Carrillo and Ignacio Gallego yesterday criticized the PCE's strategy of a broad leftist alternative.

Madrid--The imminence of the elections and the momentum from the referendum campaign have prompted the resumption of the dialogue among the various communist groups, whose unity, however, remains a distant goal. The PCE and Enrique Lister's Spanish Communist Workers Party (PCOE) yesterday took a step towards communist unification when Lister's group joined the PCE. Concurrently, however, the Board for the Unity of Communists, which is headed by Santiago Carrillo, and Ignacio Gallego's Communist Party of the Peoples of Spain (PCPE) yesterday spoke out against any election ticket that runs as a "platform in which the agenda and identity of communists are watered down."

Brought to a Close

At the headquarters of the PCE, seated beside its secretary general, Santiago Carrillo, Enrique Lister brought a 15-year voyage to a close. The PCOE has come back to where it started, after having seen that "by itself, our option had no future." Given its tone, the act seemed more symbolic than likely to prompt an immediate political chain reaction. Lister said that he was happy to have "a secretary general who is so young and in such good shape" like Iglesias, to whom he offered all the support that "an old carcass" like him could provide, adding that he had decided to return "along with some of the people who were my comrades in arms 50 years ago."

Lister said that he and Gerardo Iglesias "have not talked about jobs or positions or anything like that. I'm going to be 80 soon, so those matters do not concern me." In the same emotional tone he asserted that one of the things that had given him "the most joy" had been "to embrace Comrade Dolores again." He went on to say in a powerful, deliberate voice, stressing almost every syllable: "I hadn't seen her since 25 February 1970, when I visited her at her house in Moscow. We had not spoken again since then." A few days after the last field marshal who took part in the civil war retired, the ceremony featuring Lister yesterday was primarily of symbolic value, as he himself underscored when he explained why he returned to the PCE, stating that "we finally realized that we had no future along that path, we were not the party we dreamed of."

Carrillo's Response

The headquarters of the magazine AHORA, which the Carrillo group publishes, immediately responded to Lister's return to the PCE, describing it as a "sad move." The Board and Ignacio Gallego's group held another working meeting there yesterday. Josep Serradell, a member of the Gallego group, said that the PCOE had "disintegrated," not integrated into the PCE. According to Serradell, PCOE members have expressed an interest in joining one of their two groups, not Gerardo Iglesias' party. The differing assessments of the PCOE's final move illustrate the difficulties that persist in the dialogue among communists aimed at unity.

Gerardo Iglesias yesterday reaffirmed "the line approved at out 11th Congress, which called for a party in which all communists have a place. We are prepared to base our unity on diversity. Our current leadership is heterogeneous, in fact, but it is united, and this is how we are managing. Everybody can return to the PCE without renouncing their ideas; they will be received with all due honors--this is a figure of speech--and with all due respect." As for talks between the Carrillo and Gallego groups and the possibility of their leading to a merger, Iglesias underscored his view that the PCE lies at the end of efforts towards unity. "It doesn't matter to me whether they return to the PCE together or separately," he emphasized.

Adolfo Pinedo from the Board and the PCPE's Josep Serradell replied at the close of their meeting that "no plan for unity can be based on electioneering; it must be based on ideological principles." Serradell specified those principles as "Marxism and Leninism." Anything else, he asserted is "drivel, seasoned with campaign hype." In conclusion, he said that the elections in Andalusia are going to be "testing grounds for and an experiment in bringing the groups together."

PSUC Leader's Comments

Barcelona LA VANGUARDIA in Spanish 1 Apr 86 p 20

[Text] The secretary general of the Unified Socialist Party of Catalonia (PSUC), Antoni Gutierrez Diaz, feels that the unity of Catalan communists is predicated on their joining the PSUC. The communist leader ruled out an electoral alliance between his party and the PCC [Communist Party of Catalonia] because in his opinion such a pact would not further the unity of communists in Catalonia.

Antoni Gutierrez Diaz, the secretary general of the PSUC, told EUROPA PRESS that the unity of Catalan communists is predicated on all forces that claim to be communist joining or rejoining the PSUC.

The communist leader rejected the possibility of a pact with the PCC, which has been mentioned in recent days, inasmuch as in his opinion "any direct alliance with organizations that claim to represent communist unity would tend to consolidate divisions and prolong the confusion, instead of furthering unity around a single party."

In this connection, he described as "completely untrue" the reports that "we are engaged in electoral negotiations with other communist political groups. Such claims do not further the process of communist unity."

Joint Efforts

Antoni Gutierrez stressed that any move towards unification must be made through the PSUC. He made the point that reunification with the PCC and the other communist groups in Catalonia was spelled out last January at the PSUC national conference, "which recommended to all party organizations that they work for integration by promoting joint social mobilization efforts."

The PSUC leader acknowledged, however, that the new climate in the wake of the NATO referendum forces the party leadership to look for arrangements that might hasten this process, "with the understanding that eliminating confusion among communists is positive, though because of its history and current status, the only guarantee that this will happen is the PSUC."

Antoni Gutierrez reiterated that in any political strategy, both in Catalonia and in the rest of Spain "one must bear in mind that the NATO referendum has changed things. We have to accept that Spain will remain in the Atlantic Alliance, but this does not mean that the struggle for peace will disappear; rather, it will take on new forms."

Permanent Vigilance

The PSUC secretary general indicated that the new political climate means that "the millions of citizens who voted no on NATO must remain permanently vigilant, as the U.S. Sixth Fleet's recent attack on Libya highlights."

The Communist leader harshly criticized the victory of the yes vote in the referendum. His view is that Prime Minister Felipe Gonzalez "won the referendum and posted a victory, but he has paid a very high price: a loss of credibility, a shift to the Right and the dishonest use of the mass media."

According to Antoni Gutierrez, the Spanish and Catalan Right violated their own principles by not advocating a yes vote, "thus allowing Felipe Gonzalez alone to win the referendum."

Reversal of Trends

The referendum has also reversed several trends on the Left, according to Antoni Gutierrez. He indicated that before the plebiscite "the public and the mass media were talking about a crisis on the Left, whereas now there is talk of bringing together the forces of the Left that voted no."

"Also, previously there was talk of divisions among communists, whereas now, even though the information is jumbled, everyone is talking about the initiatives for communist unity," he emphasized.

Antoni Gutierrez underscored that in the wake of the referendum the two major parties in Catalonia, Convergence and Union and the Party of Catalan Socialists (PSC-PSOE), are "in bad positions." The stand taken by the ruling coalition in Catalonia, he contended, has damaged Jordi Pujol's credibility, "and I think that in the very near future the shortcomings of his performance in office will be more in evidence."

Convergence and Union, he noted, utilized "a deceitful tactic that enabled it to claim victory whether the yes or the no votes won or, as happened, when the no vote won in Catalonia and the yes vote in the rest of Spain. This clumsily self-interested approach by the ruling coalition in Catalonia has detracted from the credibility of the president of the Generalitat [autonomous government]."

In addition to losing the referendum in Catalonia, he went on to say, the PSC "has clumsily tried to hide the fact that 800,000 people who voted for the party in the 1982 elections voted no this time." In his opinion, these facts "ought to prompt self-critical reflection on the PSC's part, because otherwise the party is not likely to gain sufficient credibility to become one of the reference points for a real leftwing alternative in Catalonia."

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COMMENTARIES ANALYZE CARLSSON'S GOALS, STYLE, CABINET

Center Party Cooperation Sought

Stockholm DAGENS NYHETER in Swedish 27 Apr 86 p 16

[Commentary by Sven Svensson: "Carlsson's Courtship Tactics Before the Election";first paragraph is DAGENS NYHETER introduction]

[Text] A spirit of unity and courtship, primarily toward the Center Party--that is the Social Democratic strategy under the new leader Ingvar Carlsson and the recurrent theme before the deployment leading to 1 May. Clear the decks of all the questions which were a burden in the last election, and save the confrontations until the 1988 election campaign. That is the Social Democratic strategy under the new leader Ingvar Carlsson, who began a charm offensive against the weakest link in the nonsocialist bloc, the Center Party. In the 1988 election the Social Democrats will return to an economic confidence election, since all the curves are pointing upward.

The sooner Ingvar Carlsson establishes himself as the uncontested leader of the Social Democrat Party, the sooner the Palme effect in Swedish politics will subside.

The possibilities in the 1988 election to ride on the Palme wave of international peace and disarmament will diminish in step with Ingvar Carlsson's establishing his own domestic and foreign policy profile.

Difficult Defense

In the last election the Social Democrats had great difficulty defending themselves on several questions. They concerned the turmoil over security policy and the submarines, drug abuse, environmental and resources questions, nuclear power development, farm policy with high food prices and a worsened quality of power.

On all of these points the new Social Democratic head of government Ingvar Carlsson is determined to create the greatest possible political unity across bloc boundaries. The Social Democrats need to create new confidence on those questions for which the nonsocialist parties have fair election winds behind them.

For a long time the Social Democrats had the advantage in interpretation of the security policy area. Osten Unden was the only real interpreter of the Swedish neutrality policy. Olof Palme internationalized it, but also made it more controversial. The Conservative attack on Olof Palme did not pass unnoticed by public opinion.

Increased Unity

Foreign Minister Sten Andersson intends to recreate national unity. With an experienced party politician in the post of foreign minister conditions are improved to achieve the security policy unity which perhaps more than anything is a Social Democratic advantage.

Family policy is a Social Democratic Achilles heel. Many families with children have a very strained economy. In January the government made a peace feeler to the nonsocialist parties. The budget contained an invitation to negotiations on family policy. Since the Social Democrats had no solution of their own, everything went awry from the beginning.

Assistant Social Minister Bengt Lindqvist has now made a new peace attempt by an invitation to a symposium about family policy. The intent is to try to solve the conflict around the expansion of day-care centers and the need for child-care compensation for parents of small children.

The explanation for this eagerness is that Social Democratic family policy is seen as both unjust and stiff-necked. Day-care centers cannot be built everywhere, and employment varies widely in different parts of the country, especially for women. A just family policy must therefore contain several elements of freedom of choice.

Drugs Concern

Drug abuse, which is no longer just an issue for the big cities, is a matter of concern. Several opinion polls indicate that drug abuse is the most urgent problem that the politicians should take in hand.

The nonsocialist parties have demanded criminalizing possession of drugs for a long time, but the Social Democrats have said no, which their own voters have had a hard time accepting.

Minister of Justice Sten Wickbom has had a couple of discussions with the leaders of the opposition parties trying to reach a peace agreement. The intention has been that all parties in the Riksdag should make a common declaration against drug abuse and at the same time strengthen the interpretation of the pertinent laws. The opposition has been unwilling to allow a key election issue to escape.

In 1985 the environmental issue became a heavy burden for the Social Democrats both locally and regionally. There was the expansion of the Edange cascade in Halsingland, the ScanLink on the west coast, and Klaraberg Viaduct in Stockholm. The Social Democrats were known as the "concrete party."

In answer to the criticism from mainly the Center Party and the Left Party Communists, Olof Palme decided to make Ingvar Carlsson the centrally placed Minister of Environment. After Palme's murder Birgitta Dahl took over the post of Minister of Environment. She was really in a hurry to invite the peace and environmental movements into a broad coalition.

In the nuclear power area the Social Democrats still have a problem explaining how developments should go. The party has spoken about a coming development strategy, while the Center Party and the Left Party Communists demand a concrete development plan.

Increased Suspicion

Birgitta Dahl's decision to repair Ringhals 2 for 1.2 billion has increased suspicion of the government's willingness and ability to shut down nuclear power by the year 2010.

In the farm policy area the Social Democrats represent large operations and packing houses, despite Olof Palme's recommendation for "freely pecking hens." In the 1985 election campaign the high food prices and the low food quality were a Social Democrat burden.

In the Riksdag the Social Democrats have given their own version of how the costs for the Swedish grain surplus will be covered. At the same time LO [Confederation of Trade Unions] and LRF [Federation of Swedish Farmers] have fallen into each others arms in an effort to improve the quality of food.

In the government declaration Ingvar Carlsson has already spoken of an "open door." Purely mathematically, the Social Democrat minority government has a big interest in unity in the Riksdag.

Ingvar Carlsson has begun his period as prime minister with affectionate attentions to the Center Party. These indications of affection do not entirely fall on the lips of Center Party members.

Certainly it is pleasant for an opposition party to see its own proposals realized in the form of government initiatives, but the embraces also serve as a reminder that Social Democrat policies always are intended to split the nonsocialists. And it is always the weakest link in the nonsocialist trinity which is exposed to the most pressing attention.

What the Social Democrats are now doing is a typical between-elections tactic, adapted to the mood following the Palme murder. This mood will not last forever. At the latest, in election year 1988, unity will be exchanged for confrontation in order to frighten sympathetic voters up off the sofa.

According to their own judgment, Social Democrats have always needed an opponent to fight against in an election campaign. There is no indication that anything will change because Ingvar Carlsson has followed Olof Palme as Social Democrat party leader. In order to get 43-44 percent and win government power it is inevitable that the old "Conservative devil" will be called upon to help.

Weak Opposition

The Social Democrats should really have an easy contest in the 1988 election. All the economic curves are pointing upward miraculously, and the nonsocialist opposition appears weaker than in a long time.

The nonsocialists have not found their platform since the 1985 election turbulence, which saw Thorbjorn Falldin kicked out of his post, Ulf Adelsohn weakened, and Bengt Westerberg raised to the heavens.

It is characteristic of the confused situation that the previously bold and daring Conservatives became so uncertain about the political course, at the same time as doubt began to arise whether Ulf Adelsohn had the nerve and toughness needed by a political leader.

It is now a fact that Karin Soder became the new Center Party leader after Thorbjorn Falldin. Having a woman as leader of a party for the first time in Swedish history can cause curiosity.

Knife in the Back

Karin Soder has now with emphasis declared for a nonsocialist government, although it will be dominated by Centrists and Liberals. On that point she has all of her party behind her, even those who helped stick the knife in Thorbjorn Falldin's back for his leaning toward the right.

Thereby the worst uncertainty remaining from the 1985 election is removed. Even the controversy on waiting days for health care is being pacified, although this is not a repetition of the health insurance debate of 1985.

While Falldin attacked the Social Democrats from the right, the new Center Party leadership is struggling from an attack from the left, exactly as in Gunnar Hedlund's time. The demand for increased basic deduction from municipal taxes, which the Social Democrats quickly snatched onto, is a typical example of the change of course.

Liberal Party leader Bengt Westerberg is, following his big election victory, a more or less uncontested leader of the opposition until the 1988 election. Typically he has tried to gain the initiative by the proposal for a common nonsocialist election platform, even though it caused bitter comments. Every nonsocialist party wants to stand out as the most cooperative, and also to be the most profiled party.

Difficult Opponent

In many ways Bengt Westerberg is both a more difficult and rare opponent for the Social Democrats than Ulf Adelsohn was in 1985. He is well informed on the issues and verbally skillful, especially on TV.

Therefore it is just a matter of time before Ingvar Carlsson must begin a confrontation with the Liberal Party, so that Westerberg will not be able to grow too much.

The Social Democrats and the Liberals largely fight over the same marginal voters. The members of TCO [Central Organization of Salaried Employees] are in the spotlight. According to the latest voter barometer from IMU [Institute for Market Research] 34 percent of TCO members voted for the Liberal Party and 32 percent voted for the Social Democrats. Since the Social Democrats always give priority to LO's desires, perhaps the 1988 election will be decided by how the more undecided TCO members finally choose to vote.

Veteran Statesman on Personality

Stockholm DAGENS NYHETER in Swedish 27 Apr 86 p 3

[Op Ed Article by Erik Asard: "A Gray Socialist With Feelers"; first paragraph is DAGENS NYHETER introduction]

[Text] Ingvar Carlsson radiates very little fanatacism or dogmatism; repeating theories and ideological puritanism are foreign to him. Instead he appears to be more content in a scrutinizing, reasoning attitude in which there is also room for the arguments of the opposite side. No issue for him is either totally black or white. He has an intellectual attitude toward politics which makes one think of Erlander. The above was written by Erik Asard, veteran statesman, as he sketches Ingvar Carlsson's ideological profile, based on his major speeches and statements of recent years, in the following paragraphs.

Ingvar Carlsson is the Social Democrats' fifth party chairman through the years. He is not exactly a newcomer in politics. As early as the end of the 50's he was the secretary in the Cabinet Office under Tage Erlander. After two years as under secretary he was appointed minister of education in Olof Palme's first cabinet in 1969. During the years of the balanced Riksdag in 1973-76 he was minister of housing. And after the nonsocialist years he returned in 1982 as a cabinet member and the prime minister's deputy with responsibility for research and future questions, among other things.

To be a cabinet minister, however, is one thing; to be the head of government is another. With his elevation to prime minister Ingvar Carlsson has come into the focus of the mass media and public attention in an entirely different way. Who is he? What ideological profile does he have? What kind of Social Democrat is he? Does he represent continuity or renewal within social democracy? Questions arise, and the answers, as given by his political opponents, are as predictable as they are varied.

The Conservatives say that Ingvar Carlsson is more "socialist" than his predecessor. From the left, primarily VPK [Communist Left Party], there have been misgivings that the same Carlsson could be more of a gray, or old fashioned, socialist than Olof Palme was. And from politicians in the middle there is a vague hope that the new prime minister will prove to be a stalwart practitioner, a person who thinks more of cooperation and results than rhetoric and bloc politics.

So the picture of Ingvar Carlsson is split, and expectations about him are changing. Which picture is correct? Only his future actions will disclose the nature of the practical politician. However it is not difficult to discover his ideological views. It is only necessary to go to the sources, in this case all his major speeches and statements of recent years. A review of this material gives a result which at least partly diverges from the above mentioned patterns.

Ever since the Social Democrats took back governing power in 1982 it has been a central task for Ingvar Carlsson to conduct the ideological debate with the nonsocialists and to discuss the so-called future questions. The themes have been fairly predictable: the balance between freedom and equality, the importance of research, growth of the information society, the new technology, future jobs, making the public sector more efficient, environmental policy, etc. Very few of the subjects of debate are absent from the speeches (with one noteworthy exception: the international questions).

Perhaps the most remarkable aspect of these speeches is the ambition to unite traditional social democratic values with a sensitivity for new ideas and issues. Ingvar Carlsson stands with one foot firmly anchored in the classic reformist soil. He lovingly defends the old well-known ideas of full employment, just distribution, general welfare policies and a strong public sector. The politicians whom he prefers to quote all come from their own tradition of ideas: Branting, Wigforss, Per Albin, Erlander. There is something splendid and homespun about Ingvar Carlsson's way of referring to these leader figures of ancient lineage, evoked to give weight to a certain viewpoint or to add life to a colorless definition.

But traditionalism--taken from the mould of a gray socialist, perhaps--is not entirely dominant. Ingvar Carlsson has his other foot placed on more uncertain ground, with his feelers eagerly reaching for the outside world. These feelers are aimed in two directions: partly toward opinion out in society, and partly toward the tough questions of the future. His interest in these questions is seldom expressed in any deep, sophisticated analysis. On the other hand that illustrates another quality of his: openness and a propensity to address problems being debated, to try to see a question from more than one viewpoint.

Ingvar Carlsson radiates very little fanaticism or dogmatism; repeating theories and ideological puritanism are foreign to him. Instead he appears to be more comfortable with a testing, reasoning attitude which has room for the arguments of the opposite side. No question is for him either totally black or white. There is an abundance of "on the one hand" and "on the other hand" in his statements.

"Computers will be used to centralize all knowledge and thereby thin out both work assignments and influence," he said in a speech (Norrkoping, January 1984). But, he added immediately, computers "will also be used so that more people will have access to information and knowledge--and thereby to more influence and more enriching work assignments." The idea is that technology in itself is neither evil nor good. "It is what we make it." The problem with that way of arguing is that systematically carried out it can give the impression of a lack of outline and substance, a general benevolence which does not offend anyone and neither is it capable of stimulating or provoking enthusiasm.

Another aspect of openness is an appropriate degree of self-criticism. We have "failed to give the people a reasonable amount of influence and a reasonable responsibility for their own situation," was said in the so-called "freedom speech" (Gothenburg, March 1983). Another speech said, We must recognize "that we Social Democrats have not always done enough to increase people's rights to their own choice and responsibility"(Norrkoping speech).

Or take this passage from a recent environmental speech (Gothenburg, January 1986): "I believe that we have not done enough to guard our environment. I believe that despite our good ambitions we have sometimes made the wrong decisions, quite simply misled by the basic attitude that natural resources are commodities and should be dealt with thereafter. I believe furthermore that in many cases we have not used the knowledge which environmental groups, field biologists and others have."

All this serves to create an impression of sympathetic mobility and freedom, a kind of intellectual attitude toward politics which makes one think of Tage Erlander.

But sometimes that openness is mostly a gesture, a morsel to the doubters. Complications and difficulties are hinted at, which later have no importance at all in the overall message. "The new technology brings with it both new threats and new possibilities," it says for example in another speech (Lund, November 1983)--in which the reader finds that the entire speech is devoted to the possibilities, while nothing is said about the threats. This rhetorical tactic to give the listener an appearance of nonpartisan thinking when the message really has a very definite content is often present in Ingvar Carlsson's public statements.

Carlsson's openness thus has its definite framework and limits. Self-criticism is not allowed to go too deep. And flirting with new ideas never includes any courtship with outspokenly nonsocialist solutions, such as privatization of child care or other parts of public activity. Ingvar Carlsson speaks often and gladly about "freedom of choice," but what he is referring to is freedom to choose service within the framework of the common sector.

Still this outward openness is worth noting. It can distinguish the new head of government from several of his more famous predecessors. If Erlander's and Palme's election slogan was "Listen to the movement!" Carlsson's appears to be "Listen to the movement and public opinion!"

How "socialistic" is Ingvar Carlsson? The question has been raised on the editorial pages of nonsocialist newspapers, at times with tremulous tones. If we study the prime minister's declarations in speeches and writings there is no reason for Anders Wall to lose any sleep. A more faithful supporter of the mixed economy and "the Swedish model" than Ingvar Carlsson would be hard to find. It is seldom, these days, that one sees the term "socialism" in his speeches--in any case more seldom than during the period 1961-67 when he was chairman of SSU [Social Democratic Youth League], when the monarchy should have been destroyed to dust and ashes.

Sometimes an expression such as "liberated socialism" is used, otherwise a term which the syndicalists preferably use to identify themselves. The attitude toward the market is divided. It exists, it helps to generate capital and employment opportunities, but at the same time it is not allowed to operate freely. On the contrary, the market must be "held by a tight rein." This viewpoint, however, is not followed up by any direct plea for a managed economy. The mixture of the mixed economy is not to be basically changed.

Carlsson is not particularly intrigued by the idea of a political utopia. He prefers to speak of earthly solutions or "provisional utopias" in the spirit of Wigfors. The goal is nothing more strange--but still nothing more inciting--than "that people should have it good, and live a rich and meaningful life." Or, as in an often-used reference to Per Albin Hansson, a principle of equality which says, "Not totally equal pieces of cake, but enough for all."

There is something typically Swedish and special about Ingvar Carlsson. His combination of moderate traditionalism, strength of basic intuition and sensitivity to new opinions will probably be a difficult nut to crack for our tame opposition.

Cabinet Members' Political Orientation

Stockholm SVENSKA DAGBLADET in Swedish 20 Apr 86 p 7

[Commentary by Anders Jonsson: "Broad Spread in the Circle Around Carlsson"; first paragraph is SVENSKA DAGBLADET introduction]

[Text] Of the government's 20 cabinet ministers, 11 are on the Right, 7 are on the Left and 2 are in the middle. Five were mainly brought up and influenced by the judgments of Government House, and 13 by the labor movement. All the products of Government House are on the Right. The government has no forces on the Left which were brought up in the house of power.

These are some of the results of a not especially scientific charting made of the government by SVENSKA DAGBLADET.

When Ingvar Carlsson was named head of his party and thereby indirectly prime minister after Olof Palme he was described as the only one who could hold such a broad movement as social democracy together. The question is whether a social democratic prime minister must also have the characteristics of social democracy's broad span from Left to Right reflected in the government.

Ten Have Thought

To get the answer to the question we listened to about 10 people inside and outside Government House with a good insight into how the government works, and placed the ministers in a coordinate system. The results, shown in the illustration, are a summarization of the different placements.

The vertical axis therefore goes from "Influenced by the Labor Movement" [at the bottom] to "Influenced by Government House" [at the top]. This is to illustrate the spread between politicians brought up in the labor movement and technocrats brought up in Government House.

The horizontal axis is the customary Left-Right scale of the ministers' dogmatic and pragmatic attitudes. This has played a lesser role.

Knowledge and Drugs

The divisions can obviously be criticized. For example, is Gertrud Sigurdsen's "hard" attitude on drugs or Bengt Goransson's demand for knowledge in the schools Right or Left? Does Lennart Bodstrom's time in the TCO [Central Organization of Salaried Employees] qualify him as a labor movement man? Does not the role of minister of finance give a position on the Right, while a minister of social affairs goes on the Left, regardless of where their political hearts lie? But despite objections, a number of interesting results can be read from this not-too-serious investigation.

Extremes in the government consist of two groups, each with three ministers. Farthest down on the Left with the greatest influence from the labor movement are Foreign Minister Sten Andersson, Education and Culture Minister Bengt Goransson and Assistant Health and Social Affairs Minister Bengt Lindqvist. Farthest up on the Right is the opposite pole consisting of "Government House products" Finance Minister Kjell Olof Feldt, Wages and Salaries Minister Bengt Johansson and Justice Minister Sten Wickbom.

No Leaflets

That civil servant Sten Wickbom, who never passed out a leaflet or rang a doorbell in an election campaign before he became a minister, is placed high up on the Government House axis is not so remarkable.

In party activity Wickbom has a counterpart in Bengt Goransson who was only an elected representative on a Tax Assessment Committee before he came into the government. Goransson still is farthest down on the labor movement axis because he has a long background in ABF [Workers' Educational Association], the People's House and RESO [International Union of Travel Organizations].

Carlsson Near the Middle

At the middle of the Left-Right scale, as expected, is the bulk of the government with 11 ministers. Prime Minister Ingvar Carlsson is a little to the Left but very near the midpoint, and is therefore according to this investigation well qualified to lead and hold this government together.

At the government's absolute middle is Agriculture Minister Svante Lundkvist who is in the middle of the Left-Right scale and because of his long experience as a cabinet minister is considered to be at the crossroads between "labor" and "Government House." Svante Lundkvist is the minister who is known for his efforts to seek a compromise which all can accept in all situations.

Breaking Out to the Right

A labor movement group which is breaking out to the Right consists of Civil Service Minister Bo Holmberg, Foreign Trade Minister Mats Hellstrom and Housing Minister Hans Gustafsson.

The upper left square is therefore entirely empty. The conclusion which can be drawn is that the government lacks a radical leftwing force with civil service background. Something which could for example assist a civil service minister who has to take in hand an intractable bureaucracy in order to simplify the rules, and dealing with or for a labor minister who works with heavy equipment who will sometimes do more than the government.

Historically there have been Social Democrat ministers with civil service backgrounds and leftwing profiles, from Osten Unden to Lennart Geijer and Carl Lidbom.

Hit Pictures

Another observation which can be made from SVENSKA DAGBLADET's quick investigation is the difference in political profiles which some ministers have. The "hit surface" where individuals close to the government unknowingly to each other placed their "X" for each minister varied considerably.

Ministers such as Sten Andersson, Sven Hulterstrom, Bengt Lindqvist, Bengt Johansson, Bengt Goransson and Svante Lundkvist have a collective hit picture, all the people we interviewed placed them in approximately the same place on the diagram.

For other ministers the spread is considerably greater. That applies primarily to Mats Hellstrom, Lennart Bodstrom, Anita Gradin, Anna-Greta Leijon and Bo Holmberg. SVENSKA DAGBLADET's experts found it difficult to agree on where these five stand politically.

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POLL INDICATES STRONG VOTER APPROVAL OF CARLSSON

Left Retains Significant Lead

Stockholm DAGENS NYHETER in Swedish 28 Apr 86 p 24

[Text] (TT)--The Social Democrats have not been able to maintain their record rise in popularity following Olof Palme's assassination, but their standing in the April poll by SIFO [Swedish Institute for Public Opinion Polls] is still high. The poll results were published in SVENSKA DAGBLADET, ARBETET, the GOTEBORGS-POSTEN, and SKANSKA DAGBLADET on Sunday.

The gap between the blocs has shrunk since March, but the Social Democrats and the VPK [Left Party-Communists] are still clearly in the lead, standing 5.5 percentage points ahead of the nonsocialist bloc. In January and February, the nonsocialists were ahead by 3.5 percentage points.

Support for the Conservative Party has dropped by half in just over a year. They have not had so few supporters in SIFO polls since the late 1970's.

The poll is based on interviews with 2,500 people between 2 and 22 April. They answered the question: "Which party do you think is best today?"

The percentages in the April barometer are as follows (with the change from the March poll being shown in parentheses):

Conservatives: 15.5 (-0.5).

Liberal Party: 22.0 (+1.5).

Center Party: 9.0 (-0.5), of which the KDS [Christian Democratic Union] accounts for 1.5 (+/-0).

Social Democrats: 47.0 (-1.5).

Left Party-Communists: 5.0 (+0.5).

All other parties: 1.5 (+0.5).

This gives the nonsocialist parties a combined total of 46.5 percent, compared to 52 percent for the Social Democrats and the VPK.

In the previous poll, the Social Democrats experienced the biggest jump ever recorded by SIFO. The party rose from 42.5 percent in January-February to 48.5 percent in March, thereby breaking abruptly with the downward trend that could be seen at the beginning of the year.

That remarkable shift was explained as being due to the attention attracted by Olof Palme's assassination and to a liking for the new prime minister, Ingvar Carlsson. Now the Social Democrats are down 1.5 percentage points from March, but they are still at their highest level since August 1982.

Conservatives Experience Largest Setback

Stockholm DAGENS NYHETER in Swedish 28 Apr 86 p 2

[Editorial: "Triumph for Moderation"]

[Text] Ingvar Carlsson can be pleased with the fact that the first month of his honeymoon with the voters has been followed by another. It is true that Sunday's SIFO poll shows a drop for the Social Democrats in April from their high of 48.5 percent to 47 percent. But the change, which for that matter lies within the margin of error, does not answer the question of whether we are slowly witnessing a return to normal or whether in fact a new political pattern is emerging.

Olof Palme's assassination has given the Social Democrats an emotionally generated lead, and at the same time, the government is being successful with the economy. The only dark cloud is the wage negotiations with public employees, which may disturb both harmony and the economic outlook. Nor can anyone foresee the storms that may be caused, primarily among pensioners and salaried employees, by a proposed real tax on interest. But the government could avoid that problem simply by putting the upcoming draft report on ice.

As new prime minister, Ingvar Carlsson has taken great pains to build up confidence even outside his own party. If he continues in one area after another to seek understandings with nonsocialist parties, whose proposals the Social Democrats will then accept, it will be difficult for a divided opposition to find common points of attack.

It is, after all, chiefly among the nonsocialist parties that the drama has been played out since the election. Sunday's SIFO poll indicates that the Liberal Party's decline after Palme's death was temporary and shows that the Conservative Party's furious attacks, resumed over the weekend, have so far been in vain. The fact is that the Conservatives are still somewhere around 16 percent, which is a record low for the 1980's, while the Center Party has stabilized at around 9 percent.

That 9 percent is a low figure, but it is promising all the same: the Center Party has come through its drawn-out party leader crisis without suffering any more losses. Now that it is clear that Karin Soder is a candidate for the job of party leader, the party's regained stability and self-confidence should gradually yield results among the voters as well.

The situation is worse for the Conservatives, who seem unlikely to be able to overcome their sagging credibility. The strategic long-term view that characterized the party throughout the 1970's now seems to have vanished completely. Disappointment over the election outcome has given rise to unreasonable demands for quick results and called forth conflicting strategies for success. It is difficult to be a Conservative Party leader today. It may be that Adelsohn's lack of genuine ardor in combat and displays of self-pity in public do not make the job easier.

It is a triumph for objectivity and moderation that Ingvar Carlsson dominates the scene with Bengt Westerberg as his chief opponent. But what will the next election campaign be fought over?

11798
CSO: 3650/193

AID ORGANIZATION TO PROVIDE MORE DETAILS ON FOREIGN PROJECTS

Stockholm DAGENS NYHETER in Swedish 24 Apr 86 p 8

[Article by Kaa Eneberg: "SIDA Examines Aid"]

[Text] The fact that the Swedish taxpayers annually give nearly 9 billion kronor in aid to underdeveloped nations is scarcely questioned any longer by any major group. On the other hand, the demand for control and accountability for the assistance funds has increased.

In order to meet that demand, the aid organization SIDA [Swedish International Development Aid] has started issuing a series of publications dealing with various efforts. It is purely technical reading, with detailed analyses of the positive and negative sides of the projects, which previously could interest only those directly involved.

The series, which is published in English under the title "SIDA Evaluation Report," is expected to provide stimulating reading material for a wider circle of people interested in aid, however, including the assistance organizations of other countries.

SIDA, which anticipates 10 reports a year, has gotten off to a running start with six detailed reports. Another two are planned.

About 30 of SIDA's total of 200 assistance projects are evaluated each year. This is done in case of problems, when a new phase in the work is begun or when a contribution has been completed.

"It is a matter of constant return of knowledge which is important to the continued work," says Elisabet Levin, head of SIDA's evaluation unit. The evaluations in the new series are made by independent observers, who have had nothing to do with the project itself. It is also necessary to account for what Levin calls "objectively determined results." It is pointed out as particularly positive that the recipient countries have been induced to participate in the evaluations.

The reports now published account for efforts in the assistance nations of Laos, Kenya, Somalia, Lesotho, Botswana and Pakistan, which ceased to be an aid recipient country in 1978.

In Laos, where SIDA invested in two forest projects, the failure is regarded as due to the fact that one cannot manage to export the lumber and replenish the trees. There are also questions about the transportation of lumber with tractors instead of the traditional elephants. It is seen as positive that the large projects were built "from absolutely nothing."

In Lahore, Pakistan, an import subsidy of 150 million kronor was used to purchase bus chassis from Volvo. Four hundred of the buses are still rolling, but efforts are needed for better roads, availability of spare parts and training.

Dependence on South Africa

In South Africa's neighbors Botswana and Lesotho SIDA has concentrated on establishing small firms or labor-intensive projects such as roadbuilding. The purpose has been to create jobs and reduce the dependence on South Africa. Companies have been established in Botswana but not in rural areas where unemployment is great. Imports from South Africa also have not declined. In Lesotho it has been difficult to recuit people for the projects.

Other evaluations concern health care in Kenya and the reconstruction of a fishing boat factory in Somalia. The fishing boat factory has started a production which is difficult to sell partly because the country's nomadic population has no fishing tradition. The report recommends that assistance for raw material imports to the factory should be halted and that the production be broadened with various plastic products such as latrine lids.

11949
CSO: 3650/190

COMMUNIST PARTY YOUTH ORGANIZATION'S HERMANSSON GIVES VIEWS

Stockholm DAGENS NYHETER in Swedish 24 Apr 86 p 18

[Article by Anders Ohman: "Support People's Will to Defend Themselves"]

[Text] The Swedish military should not get more money for armament and expensive weapon systems. Lower the defense spending by 1 billion kronor. Instead, support the civilian and economic defense. Man the lighthouses and let us get back a living archipelago. A constantly watchful eye in our archipelagoes is better protection against intruding submarines than costly coastal corvettes, helicopters and depth charges.

These are the words of Stellan Hermansson, 28 years old and chairman of KU (Communist Youth), the VPK's [Left Party Communists] youth organization headquartered in Goteborg. The attitude of the Young Communists toward the Swedish defense is simplified--no more money on the terms of the military, strengthen the will of the people, conscription and civilian defense.
KU has its Marxist view as well. The military apparatus is a part of the state apparatus which guarantees the power of the "ruling classes."

At the same time KU is against Swedish disarmament and defends the right of each people to defend its national independence with arms.

"Redistribution" is a key word in KU's defense position, which shares the VPK parent party's demands to reduce defense spending by 1 billion annually.

The cornerstone of KU's defense ideology is general military service as an expression of the people's will to defend itself. Strengthening the democratic freedoms and rights of the conscripts is an important part of the work of the Young Communists.

"By improving conditions for the conscripts, we want to prevent a development toward an elite defense," says Stellan Hermansson.

Too Bad

It really is too bad, he says, that a conscript today is so badly off that he is forced to be demobilized thousands of kronor in debt. At the same time he is forced to obey oldfashioned and rigid military regulations. He himself was forced to replace a stolen cap with his own money.

Instead of an expensive crust defense, with technically complicated weapon systems, the KU wants to concentrate on modern missile weapons as the principal component of the Swedish defense.

These missile weapons should be produced in Sweden in large series. The cost relation between a "war machine" and a modern missile, in KU's opinion, is about 1:100. It will be unnecessary to disband units, since there is room for both missiles and general conscription even in a slimmed-down defense budget.

The defense can be organized in smaller units. A battalion size of 800-1,000 soldiers is judged appropriate. The defense will be more easily mobilized, decentralized, very mobile and, according to the KU, able to undertake a defense in depth across the entire country.

The KU is in favor of Swedish weapons exports to neutral and nonaligned states, and it could also conceive of Sweden selling weapons to socialist liberation movements and countries such as Nicaragua.

The KU does not believe in the dark undertones of the threat picture against Sweden conjured up by military people, with the Soviet Union as the potential attacker. The increased tension in Europe is blamed on the "aggressive armament policy" of the United States and NATO.

Simultaneously, the KU turns critically toward the East, against the submarine violations of which there is proof. A nuclear-free zone in the Nordic region is the goal, for which the Soviet Union should also remove its six nuclear-armed Golf submarines from the Baltic Sea.

The KU's defense philosophy is a balancing act between a democratically structured, strong conscripted defense and a consistently antimilitaristic defense policy.

"Militaristic tendencies must be repelled wherever they manifest themselves," it says in the program.

Rambo Cult

Stellan Hermansson does not believe that good soldiers must be hardboiled macho types, who thrive on the Rambo cult and hatred of women.

"I believe that the soldiers of the liberation movements must be the best and most motivated ones," he says.

He does not trust Swedish career officers. In another social climate he thinks the Swedish military could be used against the people, as in Adalen in 1931.
11949
CSO: 3650/190

CENTER PARTY MUST LOOK TO FARMERS FOR REVIVAL

Stockholm DAGENS NYHETER in Swedish 28 Apr 86 p 2

[Editorial: "The Center Party's Care of its Roots"]

[Text] The Center Party grew out of the soil. If the party is to tend its roots--and doing so is especially important if the party is to grow strong again after a dip in confidence lasting many years--its leadership will have to be in contact with agriculture.

Good common sense therefore indicates that Karl Erik Olsson will be elected the Center Party's new deputy chairman this summer. He is a farmer from Skane. And it is in southern Sweden that the Center Party has its strongholds. Since last fall, moreover, Olsson has been chairman of the Committee on Agriculture--an important post for a member of the Center Party.

A minority on the nominating committee has recommended Per-Ola Eriksson instead. He is from Norrland and is more of a purely professional politician. Neither of those facts is in his favor.

Both Olsson and Eriksson are modern Center Party men, however, and they see beyond the simple protection of interests. They are children of the green wave. Both--but especially Karl Erik Olsson--helped develop the idea of the local community. Now that the Center Party needs a extra dose of forward-looking thinking, the ideas on the local community may become topical again. But with considerably less regulation now than in the 1970's.

The nominating committee's recommendation that Karin Soder, Olof Johansson, and Karl Erik Olsson be elected to the Center Party's leadership signifies a total defeat. Olof Johansson was stabbed in the back by being recommended as new party chairman immediately after Thorbjorn Falldin's resignation. Now he will have to be content to move one step higher in the party hierarchy. Neither of the two people nominated for deputy chairman last winter--Borje Hornlund and Helena Nilsson--was even considered this time. The nominating committee's handling of the matter was also a disadvantage in their case.

If Karl Erik Olsson is elected, he may be a strong candidate for new party leader. He is the same age as Olof Johansson and has the same "green" convictions. But he has the advantage of not being associated with the Center Party's decade of defeat. And he stands with both feet in the soil.

11798
CSO: 3650/193

POLITICAL SWEDEN

BRIEFS

INCREASED AID TO SWAPO, ANC--Both liberation organizations SWAPO and ANC will receive increased aid from Sweden. This was decided by the government on Thursday. According to TT [TIDNINGARNAS TELEGRAMBYRA] SWAPO will get 59 million kronor next budget year, an increase of 9 million kronor. ANC's grant is raised from 43 to 52 million kronor. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 25 Apr 86 p 6] 9287

CSO:3650/196

SDP SEEN QUIETLY PREPARING 'NONOFFICIAL' SECURITY POLICY

Party Group Defense Strategists

Copenhagen BERLINGSKE TIDENDE in Danish 2 Apr 86 p 14

[Editorial: "Which Strategy?"]

[Text] The Social Democrats have long had an internal defense committee, which, under the leadership of Knud Damgaard and with military support from Colonel G.K. Kristensen, has worked on a proposal for a new defense policy. Knud Damgaard is on the decline politically, and G.K. Kristensen has already fallen from the powerful summit where he was for a time. But this does not mean that the party has not brought together a representative group of defense strategists -- representative of the present trends in the party.

The proposal has not yet been made public, but it is clear that the wording at least will have to do with a so-called nonoffense security policy. It will not be possible to see what this means in detail until the proposal is published. The concept is not at all clear, and in itself it is not new. As long as one can remember, the Danish military has been a purely defensive force. Some Social Democrats have tried to rename the idea a "pared down defense," but this phrase does not seem to have been able to get through the party machine.

But behind all this is the fact that the main trend in SDP defense policy is about to be gathered together into a move that will be carefully read in all circles, because it may turn out to contain a real showdown with the party's previous policy. First of all, it is noteworthy that the traditionalists in the party, exemplified by Poul Sogaard, have had to take exception to the main points in the proposal, and that Poul Nielson, who is of the same opinion, has not been able to be elected to the defense committee of the Folketing. This shows the strength behind the new movement in the party. Then, too, it is worthy of note that the SDP seems to be working on a proposal that to be sure will continue to require strengthening agreements, but will try to create greater negotiating freedom for Denmark by relaxing the ties -- and the Danish obligations -- to the Danish-German common command.

Both of these signals point toward extremely difficult defense negotiations. If the SDP prevents its own experts from having the opportunity to influence the negotiating proposals, the rest of the parties in defense negotiations will meet a negotiating group that will not feel itself bound by the party's actual tradition. If there is a Social Democratic demand for the Danish defense force to be as independent as possible, this will mean that the long policy line that has been followed since 1949 will be broken.

In this situation, the other parties must decide among themselves whether there is need for a "pared down defense" as suggested by the SDP, or whether it would be better to have an increased defense. The strategy must be decided upon when the proposal is made public.

SDP's Maigard Supports Proposals

Copenhagen BERLINGSKE TIDENDE in Danish 22 Apr 86 p 8

[Op Ed Article by Jens Maigard: "From Footnotes to Nuclear Strategy"]

[Text] In its lead editorial of 4 April of this year on the main lines in the defense debate, BERLINGSKE said: "The defense policy deadlock is unfortunate for both sides. The Social Democrats do not have to worry about what the nonsocialist parties will come up with. Because they simply will not come up with anything."

"Because they simply will not come up with anything." BERLINGSKE is just as correct in this observation as the newspaper is wrong in saying that the political idling in nonsocialist Denmark is solely the fault of the Social Democrats. Much too much credit. What has happened to accepting one's own responsibility?

The quote from the BERLINGSKE editorial comes quite naturally to mind in writing an answer to Defense Minister Han Engell's contribution to the paper on 15 April. Just take Engell's emotional statement: "Maigard also owes us an answer on what the SDP will do if all nuclear weapons are eliminated, or if they should possibly be unilaterally eliminated in Western Europe." Why do I have to answer that? This is obviously not going to happen! The question has nothing to do with the case.

No, "...they will simply not come up with anything." There is good reason for this. For example, one can mention the NATO strategy Engell speaks so well about. Is it on solid ground? Hardly. The nuclear strategy is full of inner contradictions. Let me name two.

The nuclear strategy is built on the assumption that the Americans will use nuclear weapons in the defense of Western Europe, even if this means an incredible risk for the U.S. But what if the Americans do not want to? The father of nuclear strategy, former Defense Minister Robert McNamara, put it this way: "Both John F. Kennedy and Lyndon Johnson were privately in agreement with me that NATO should never take the initiative in the use of nuclear weapons. This policy was so controversial among the NATO allies that it could not be presented openly." (NEWSWEEK 5 December 1983). In other words: It is risky to let the military side of security rest on weapons one does not control.

The nuclear strategy is also built on the assumption that one can -- at least to a certain extent -- control a battle exchange with nuclear weapons. The flexible strategy was of course created to remove the nuclear threshold. But all indications are that one cannot control the process. The former defense chief, Knud Jorgensen, described the situation as follows: "I have very strong doubts about whether one will at all be able to control one or another form of 'exchange' between two parties after one has already made a start. The probability is that it will end in total war, and this means the end for everyone." (BERLINGSKE TIDENDE 29 January 1984.

It is not I, but the defense minister, who owes an answer.

But this will certainly not stop me from presenting my opinion.

I think that we in Europe have made ourselves much too dependent upon nuclear weapons, terrible weapons both militarily and politically, and under American control. I therefore intend to support steps to decrease this dependence. A realistic, gradual effort against the nuclear threat can, in my opinion, take several paths:

(1) The North must be made by treaty into a nuclear free zone, guaranteed by the two super powers. This will be a noble Scandinavian effort toward European relaxation of tension. But it is a very ambitious goal that under the best of circumstances will take many years to realize.

(2) Denmark must be made nuclear weapon free "in times of peace, crisis, and war." Efforts along these lines will presumably touch upon the policy of strengthening and questions concerning the structure of integrated defense.

(3) NATO's nuclear strategy must be changed. The nuclear threshold must be eliminated. Tactical nuclear weapons must be removed from sensitive geographical areas and gradually completely replaced by conventional high-tech weapons. Furthermore, NATO must change its system so that in a few years it will refrain from the first use of nuclear weapons.

Engell says that something like this will require a strengthening of the conventional defense. Will Maigaard accept this? My answer is: If necessary, yes. (I believe that Hans Engell will, in this question, have much more difficulty with the conservatives concerned about taxes than he will have with me. The conservatives concerned with taxes can tolerate nuclear weapons because they are cheap, and because the Americans are paying).

On previous occasions I have challenged Hans Engell, in order to break the deadlock security policy has come into, to raise the question of the comparison of nuclear and conventional components. This, too, was a waste of words. Now, when the Ostergaard committee has seven months left to work, there is good reason to suggest that thoughts such as these be tried out in committee. We certainly cannot remain with "...simply not coming up with anything."

In its lead article of 4 April, BERLINGSKE TIDENDE was of the opinion that the deliberations in the Ostergaard committee ought to bring Danish security "into a safe haven." Hope does not protect anyone.

For my part, I will point out two points upon which a meaningful conversation can perhaps be established.

(1) The Dyvig report, which is a subject for the Ostergaard committee's work, contains interesting and thoughtful considerations about an atomic strategy that is based on "nonpremature first use" of nuclear weapons. It is clear what the Dyvig committee is heading. Knud Ostergaard has nevertheless stood for many years before an empty goal with the ball all by himself. When will he pull himself together?

Why not a nonpremature first use? How?

(2) After the most recent American test explosions there is obviously wide political agreement that atomic tests both in the East and the West must be condemned. The argument is about the form of condemnation. For those of us who have spoken and striven against nuclear tests (including the efforts to make the communists go along), this unity is a great thing. Start the discussion there. Why?

How?

If nothing happens in the Ostergaard committee, there remains the left wing. At present, a phantom is going through the Danish left wing. The phantom of the SDP. This is having many effects. In the area of the military aspects of security, there is a dawning understanding of the necessity of some type of defense. No longer does one say, "What's the use?" They say, "How will we do it?" This is, in my opinion, epoch making.

I do not believe that this process in the Socialist People's Party, which naturally is centrally located in the discussion, will lead in the forseeable future to positions that will enable the Socialist People's Party to take part in a government. We do not buy their demand for a break with the integrated defense and with the strengthening discussions. But with the community that has arisen around the security policy majority, and with the process that is afoot in the left wing, we may be able to go from footnotes to nuclear policy. It is a possibility if it turns out that there are no others.

And now for something completely different.

The military leader of the Home Guard, General Gottlieb, has demanded in BERLINGSKE TIDENDE 17 April an unqualified apology from me, presented without explanations, comments, or in connection with other points of view.

With all the respect I have for the office General Gottlieb occupies, I ask him once again to read through thoroughly what I actually wrote: "One must not overestimate the developments in process in security policy in the left wing. But it is certain that the left wing is moving away from the traditional, strongly antimilitaristic position toward viewpoints that contain understanding for the military side of the security policy question.

In the nonoffense, pared down security policy presently being investigated and considered, the Home Guard must naturally take part. In the past one has said of the members of the Home Guard that they were "killing time."

We are definitely talking about a movement here.

9124
CSO: 3613/110

SWEDISH SHIPYARD LAUNCHES FIRST STANDARD-FLEX 300

Copenhagen BERLINGSKE TIDENDE in Danish 30 Apr 86 Sect III p 6

[Article by jds: "New Navy Ships for Aalborg Shipyard"]

[Text] The hull for the first so-called Standard-Flex 300 unit from the Swedish Karlskrona Shipyard has been launched and will sail in the near future to Aalborg Shipyard, which has a contract for seven of these ships for the Danish navy, with the possibility of nine more. The first ship in the series was able to be launched only nine months after signing of the contract.

The next hull will be built at Aalborg Shipyard, but first after an extensive testing program has been completed for the first unit.

The complicated equipping work is being undertaken by the shipyard, which has built naval ships previously, including the supplying of three corvettes of the Niels Juel class.

The design departments at the shipyard are at present busily occupied with preparation of the design and drawing basis for the equipment on the first unit. The design assignment will be completed in a joint effort between the shipyard's technical staff and the Navy Materiel Command.

The Standard-Flex 300 is a totally new type of naval vessel whose hull and superstructure are constructed from glass-fiber-reinforced ployester in a sandwich design. The ships will be able to perform quite varied duties, since the weapons systems and other equipment will be containerized and interchangeable. Interchanging will be able to be performed quickly and simply.

8831
CSO: 3613/114

DEFENSE ARMS WEAPONS EXPORTS DOWN IN 1985

Helsinki HUFVUDSTADSBLADET in Swedish 9 Apr 86 p 14

[Article by Carl-Gustav Linden]

[Text] According to the Ministry of Defense, our arms exports declined slightly last year to just over 60 million markkas. Exports of gunpowder declined the most, according to Kauko Karkela, justice of the Supreme Administrative Court.

Arms exports totaled nearly 70 million markkas the year before, according to official figures, and just over 50 million markkas the year before that.

The largest exporter is Kemira (gunpowder), followed by the state-owned Valmet (rifles and ammunition).

Gunpowder accounts for just over half of Finland's arms exports.

Karkela says that the most important destination for exports last year was the Far East: Singapore, Thailand, and Malaysia.

One reason for the decline in exports was that several small countries around the Persian Gulf were added to the cabinet's list of banned countries because of the war between Iran and Iraq.

At Least Twice as Much

Researcher Pertti Joenniemi of the Peace and Conflict Research Institute in Tampere says that Finland's arms exports actually totaled between 100 million and 150 million markkas.

That figure was worked out on the basis of customs statistics and the cabinet's export licenses.

The Ministry of Defense provided no information on how it arrived at its figures.

Joenniemi says: "The figures on Finnish arms exports are obviously rising. Generally, the international market has declined. Exports from the industrial countries have declined--the developing countries are buying from each other instead."

Export Efforts

Since the start of the 1980's, the value of the international arms trade has dropped by half, and competition has grown stiffer.

Joenniemmi explains: "The increase in Finland's case is a clear exception. The reason must be our considerable export efforts."

Arms-purchasing countries have been showing in increasing interest in all militarily useful goods, not just equipment.

Two Finnish military products that have been aggressively marketed abroad are Valmet's Vinka training aircraft and Tampella's new 155mm gun. But without much success so far.

A recent report says that among neutral countries, Switzerland and Sweden are the largest arms exporters. Their arms exports totaled over 1 billion markkas in 1984.

Bofors Order

It became clear a week ago that Sweden's Bofors would supply India with a field artillery system worth 8.4 billion kronor. That is the largest individual export order ever.

The management of Bofors and its parent company, Nitro Nobel, is now looking into the matter of subcontractors. Several Finnish firms may be considered.

Tampella has produced Bofors guns under license in the past, and as far as is known, it has discussed the Indian deal with Bofors. Nokia has, among other things, developed a radar system known as Joke in cooperation with Swedish Philips, which is going to supply the sight equipment for Bofors. Kemira has supplied Bofors with gunpowder in the past. And Forcit in Hanko has supplied explosives.

But Bofors has promised the Swedish state that it will assign its subcontracting work to firms in Bergslagen for the sake of employment.

11798
CSO: 3650/187

NAVY PROPOSAL TO PURCHASE MINESWEEPERS FROM NETHERLANDS

Oslo AFTENPOSTEN in Norwegian 2 May 86 p 4

[Article by Liv Hegna: "The Navy Needs Minesweepers: Used Ships From Netherlands?"]

[Text] AFTENPOSTEN has learned that the Navy has proposed to the Defense Department to purchase four minesweepers from Netherlands as a beginning in the replacement program for our aged minecraft. The issue is seen as controversial from an industrial policy standpoint, as both small and large shipyards along the Norwegian coast are standing in line for orders these days. One sensational aspect of the Navy's proposal is the financing method, which will be by taking out a loan.

It is well known that the current political leadership in the Defense Department is not favorable toward the new financing methods for procurement of defense material. Undersecretary Oddmund Hammerstad previously told AFTENPOSTEN that the next long term plan for the Defense Department will deal with such questions, but for the present it is not current policy to borrow money for purchase of material abroad.

The principle of cash payments has been dominant in public budgets, and the so-called Haga Committee, which looked at reforms to enhance productivity in the state budget system, concluded in 1984 that significant changes would not be advantageous here.

Industrial Policy

If it is the current political leadership which decides the matter, it is probable that industrial policy and employment considerations will be decisive as to when the naval ships will be purchased. Director Kare Rygg Johnsen of Det Norske Veritas is heading up a working group which will evaluate the possibilities of getting the Norwegian shipbuilding industry into the picture.

The commander of Naval Forces South Norway, Rear Admiral Rolf E. Pedersen, confirmed to AFTENPOSTEN that Norwegian shipyards have the capacity to produce the minesweepers. He called the existing ships a "critical factor" in the Navy. To the question of whether there have been signals from our allies who have advance material stored on Norwegian soil, whether they want Norway to speed up the replacement program for minecraft, Pedersen said that the fact that that material must be moved to north Norway is part of the equation causing the Navy to give priority to the minecraft project.

Unseaworthy

The 10 minesweepers (of which a large number have been declared unseaworthy) were built in the mid-50's, some in Norway and some in the United States. They are antimagnetic and built of wood. The four ships which Netherlands wants to sell to Norway are also built of wood, while Sweden has such ships made of plastic.

9287
CSO:3639/106

DISAGREEMENT CONTINUES BETWEEN ARMY, DEFENSE MINISTER

Madrid TIEMPO in Spanish 7 Apr 86 pp 28-29

[Text] Narcis Serra has promised the prime minister of the government to put an end to the "autonomous military power" in the Armed Forces. Felipe Gonzalez intends to have two goals fulfilled by the time that the first Socialist legislature ends in October: the disappearance of the coup threat in Spain, and the military authorities' subordination to the political authorities. With both fulfilled, the rest of the military assignment is easy: to modernize and professionalize the Armed Forces in the context of our membership in NATO.

For the purpose of neutralizing one of the most active focal points of the so-called autonomous military power, namely, the Military Headquarters of Valladolid, the defense minister, Nacis Serra, has appointed his most trusted collaborator to command this military region: Gen Francisco Veguillas Elices, who served for 3 years as director of his technical office.

Veguillas' promotion to lieutenant general, decided on by the government in the Council of Ministers' session on 21 March of this year, and his assignment to head the Valladolid headquarters, brought about a request to be transferred into the active reserves from Div Gen Fernando Yrayzoz Castejon, inspector of the infantry branch, who was better qualified than Veguillas for the promotion and who was counting on being named commander of the Seventh Region, because his name was first on the list of three which the Army's Superior Council had submitted to the minister.

Serra paid no attention to the generals' recommendation. It is not without reason that the councils of the three military branches, comprised of lieutenant generals or admirals on active duty, have moved from holding decision-making functions to being merely advisory organs; and he appointed Veguillas to a commander's post which has already begun to cause him problems, when he was forced to suddenly dismiss Lt Gen Fernando Soteras Casamayor on account of some statements wherein the then military commander criticized government decisions and upheld principles closely associated with "military autonomy."

The intelligence services have discovered meetings of military personnel in Valladolid and in the Eastern Military Region; the most recent of them at a Castellon restaurant on Monday, 24 March, attended by 20 members of the Army high command, at which the government was harshly criticized for what some military sectors described as "intolerable interference in matters of the internal operation of the military institution."

Extreme Enclave

The Valladolid Military Headquarters, which has played a very special role during the entire transition, is still an active enclave of the extreme right, from Falangists to followers of Blas Pinar, who are attempting to attract the military from this garrison to themselves; something relatively easy in a small city where they attend the same social gatherings and bars. The argument used by the extreme right, which is shared by certain military sectors, is the following, in brief: "The Armed Forces are the trustees of the nation's permanent values. When the ruling class departs from those values, the branches of the military are obliged to intervene, and for this purpose it is necessary for them to retain a margin of autonomy with respect to the political authorities."

CESID's [Higher Center for Defense Intelligence] area of involvement, headed by Lt Col Santiago Bastos Norena, has been giving this Military Headquarters preferential attention, which is also compounded by the Ministry of Interior's intelligence and prevention effort, through the Office of the General Commissioner of Intelligence; although the relations between the police and CESID are not as good as Barrionuevo and Serra would like.

According to the men in the intelligence services devoted to neutralizing the involvement in the Armed Forces, Valladolid and Valencia are the two Military Headquarters which have kept the embers of "military authority" most aflame; although, to put things in their proper place, "the ideologues of military autonomy who are keeping ablaze the flame that the Army must be the guardian of the political authorities are not in the peripheral organization, but rather in the central organs in Madrid, such as general headquarters, CESEDEN [Higher National Defense Studies Center], the Staff School, the Armored Division...." as a member of the Land Army's Intelligence Division claims.

New Northwestern Military Region

Next year, the Seventh Military Region will merge with the Eighth Military Region, with headquarters in La Coruna, as part of the Land Army Modernization Plan (META), with the name Northwestern Military Region. The new territorial demarcation will occupy a fifth of the peninsula, and it will contain important units, such as the Airborne Brigade.

This is why Serra has given Veguillas the order to professionalize this Military Headquarters to the maximum extent, and the Army chief of staff (JEME), Jose Saenz de Tejada, has not alarmed the minister with reports prepared by the intelligence division of his headquarters regarding meetings of military men with known extreme right wing personalities.

A commander close to Minister Narcis Serra's office comments: "It is not that the minister doesn't trust Yrayzoz, but rather that, for a critical Military Headquarters such as the one in Valladolid, he wanted to assign someone with his entire confidence, with whom he has been living, day by day, for 3 years and who, it must not be forgotten, has been the author of the laws that have most severely stricken military autonomy."

Veguillas, in his position as chief of the defense minister's technical office, has been the brains behind three key laws whereby Felipe Gonzalez' government has subordinated the military authority to the political authority: the reform of the Organic Defense Law and the Basic Criteria for Military Organization; the reform of the Higher Councils of the three branches of the military,depriving them of their decision-making functions and making them merely advisory organs of the minister (decree-law of 10 July 1985); and the ministerial order regulating the procedures for the promotion of generals (published in the "Official Defense Bulletin" on 19 March of this year). This order abolishes the lists of three proposed by the councils, which forced the minister to fill the generalship slots from among the candidates selected by the lieutenant generals or admirals on active duty themselves, who are the ones comprising the higher councils of the Land Army, Navy, and Air Force.

Veguillas has carried out these reforms, advised by Comdr Jesus de Olmo, the Land Army's legal consultant, and Comdr Miguel Silva. The latter has been received into the temporary reserves, and acts as a civilian in the minister's office, with the post of technical adviser. Serra has always very closely monitored the preparation of these laws which establish the subordination of the military authority and consolidate democracy, to the point where he has often invited this "mini-team" to lunch, so as to become informed on the status of the drafts of these laws, in order to report to Prime Minister Gonzalez, in turn.

General Yrayzoz, 61 years of age, who spent 40 of them engaged in the militia, who was number one in his graduating class and has the most brilliant service record of the generals in the Infantry branch, headed the list of three names proposed by the Army's Higher Council for promotion to lieutenant general, along with Juan Castellanos, chief of the Armed Division (DAC), and Jose Carrasco Lanzos, general commander of Melilla.

But Serra did not heed the list of three. He had already decided that General Veguillas would replace Prudencio Pedrosa Sobral in the Valladolid Military Headquarters when the latter joined the active reserves on 20 March, having reached the age based on regulations. The government does not want shocks in the Military Headquarters since the incidents involving Soteras (Valladolid) and Alvarez Zalba (Zaragoza). And Valladolid has been uneasy with Pedrosa, former chief of the Armored Division, a professional with great prestige and charisma. Sources from the Army Headquarters remark: "Pedrosa has run the Military Headquarters with discretion, but he has not proven to be completely strong when it was time to check some outbreaks of military autonomy."

Furthermore, Saenz de Tejada, contrary to what certain news media have published, and despite the fact that General Yrayzoz is a personal friend of his, knew that Veguillas would be Pedrosa's replacement.

The defense minister has learned from the military that the best tactic against the adversary for attaining final victory is to conceal one's own mistakes and weaknesses. There is no danger of a coup d'etat in Spain, but the Socialist government, after nearly 4 years, is still unable to trust in more than a small number of the military, and every promotion in the generalship positions is viewed with a magnifying glass. "Lots have to be drawn to fill the lieutenant general slots," claims a high-ranking official close to the minister, who views in this kind of lottery the origin of the criticism that has been made of Serra's administration regarding the policy on appointments.

The aforementioned source goes on to say: "We have to proceed with great caution, because some generals are convinced advocates of the democratic system, while others are pragmatic and ambitious, deciding to cooperate with the Socialist government in order to reach the highest posts and not wreck their career, after 30 years; and still others are, in short, like sphinxes, and despite all the reports that we procure, we still don't know how they might turn out."

2909
CSO: 3548/49

BRIEFS

CANARIES NAVAL BASE DELAYED--The construction of a possible naval base in the Canary Islands has been halted because of a lack of budget, although it has not been precluded that, in the near future, the Defense Ministry may speed up a long-standing project that has been sleeping on the desk of the Navy chief of staff, Admiral Cardenal. Since 1976, the heads of the Spanish Navy have had the plan to reinforce to a considerable extent the Balearic Islands-Strait-Canaries defense line, by locating a naval base in Arinaga, and beefing up the Puerto de la Luz naval base. In the opinion of the experts, Spain's definite establishment in the Atlantic Alliance, after the results of the referendum in March, could contribute to the restarting of the old project designed by the former minister of Navy with the former prime minister, Carlos Arias Pita da Veiga. The only thing that might change would be the site where the base would be located; because, instead of Arinaga, the military experts prefer the island of Lanzarote. Nevertheless, one of the problems for the Defense Ministry is precisely the results of the referendum in the Canary Islands, owing to the considerable victory of the anti-Atlantic planks in the voting on 12 March. [Text] [Madrid CAMBIO 16 in Spanish 14 Apr 86 p 15] 2909

CSO: 3548/49

HOME GUARD COMMANDER DISCUSSES LOCAL DEFENSE, NAVAL MISSION

Stockholm DAGENS NYHETER in Swedish 28 Apr 86 p 26

[Article by Anders Ohman]

[Text] Lieutenant Colonel Gennadiy Glodov, the Soviet military attache in Stockholm, met Eva Andersson, 30, a soldier in the industrial civil defense service, the other day. She was wearing a bulletproof vest and was armed with an AK-4.

It happened at the Home Guard Combat School in Vallinge, Norsborg, on the banks of Lake Malaren outside Stockholm. Nine defense attaches accredited to Sweden got to learn something about the Swedish Home Guard's new missions, equipment, and combat capability.

The Home Guard, which can quickly mobilize 100,000 men and women in wartime, has been assigned a new and important role as a result of the heightened threat of sabotage. The General Home Guard's 85,000 soldiers will protect important installations in their home districts.

The members of the industrial civil defense service are recruited in workplaces, and their job is to protect their own plants. The industrial civil defense service includes women in combat posts.

Great Enthusiasm

Eva Andersson, 30, and Marie Blomqvist, 25, are both part of the industrial civil defense unit at the National Industries Corporation (FFV) in Eskilstuna. They are secretaries and occasionally exchange their video terminals for steel helmets, bulletproof vests, and submachineguns or automatic carbines and practice defense.

They handled themselves well with inquisitive defense attaches.

"I feel that girls are as well suited for this as guys are. But there are some who think we are strange," said Eva Andersson, who has had 3 weeks of basic training.

"We knit and crochet," they both answered when asked what they do in their spare time. That made the defense attache smile.

The military praised the girls, who compensate for their lack of training with great enthusiasm for their mission. There are 10 women in the FFV's industrial civil defense unit, and the entire industrial civil defense organization has a total of about 300 women.

The Home Guard has no women in combat positions except on Gotland, where there is a shortage of men.

The chief of the National Home Guard, Major General Robert Lugn, would like to see more women join the Home Guard in the future.

He told DAGENS NYHETER: "But at present, we do not have the resources for accepting them."

Laying Mines in Harbors

The defense attaches were taken out on Lake Malaren to see how the Home Guard handles one of its new tasks: laying mines quickly in a harbor.

Within a few minutes it had dropped a number of Bofors mines of the Rocka GM1-100 type--flat green contraptions weighing 190 kilograms apiece. They are lashed to the outside of the gunwales on an ordinary fishing boat or tugboat and drop directly into the water when a soldier cuts the lashing.

Laying mines in harbors is one link in the defense of a facility that is to be protected. A Home Guard unit can quickly set up blockades and barriers and destroy things to keep an attacker from using installations. Airfields can be blockaded, and bridges, road embankments, culverts, and so on can be blown up.

Connection With Submarines

Three thousand home guardsmen are currently being trained for naval missions. The reason is that in 1985, the OB [supreme commander of the Swedish Armed Forces] issued regulations making it easier to use Home Guard units to increase readiness quickly.

A clear connection with the submarine incidents exists. Naval home guardsmen watch for foreign underwater activity, lay mines, pilot boats, dive if necessary, fire fixed cannon, man radar monitors, and so on.

"We need a larger resident population in the outer archipelagos. It is to be regretted that lighthouses and pilot stations have been abandoned and automated. We need people out there who are very familiar with the locality," says Robert Lugn, who expects the Naval Home Guard to be fully organized in the 1990's.

By then there will be 300 naval groups. So far, 150 Naval Home Guard units have been trained.

No Comment

The Home Guard has its own budget of about 150 million kronor, and every home guardsman costs the state about 1,000 kronor per year.

"That is cheap. We are based on voluntary and idealistic work," says Robert Lugn.

DAGENS NYHETER asked the Soviet defense attache, Lt Col Gennadiy Glodov, to comment on the Home Guard exercises.

"I don't know enough about it to have an opinion. To me, the Home Guard is a typical Scandinavian phenomenon," was his amicable answer in faultless Swedish.

There is nothing corresponding to the Home Guard in the Soviet Union. Defense is handled by the armed forces in the Red Army.

A shotgun for hunting is the only weapon a Soviet citizen is allowed to have at home. Possession of a weapon requires a license, just as it does in Sweden.

"In the Soviet Union, there are volunteer organizations in the countryside that help the Army with transportation and various liaison and communications missions," said Gennadiy Glodov, who was in his sunniest humor for the day. While talking to DAGENS NYHETER, he passed a tractor equipped with a shovel. He pointed to it and laughed:

"That is a secret weapon against saboteurs!"

11798
CSO: 3650/193

DRACHMA DEVALUATION VIEWED AS NECESSARY

Athens MESIMVRINI in Greek 7 Apr 86 p 15

[Article by K. Kolmer]

[Excerpt] The PASOK government, willingly or unwillingly, is being pulled to a new devaluation. Which is absolutely necessary, however...!

The reasons dictating this are many and we have already noted them in our previous analyses.

1. First of all, there is the reclassification of the European currencies and realigning of their parities both within the ECU and amongst themselves. The drachma is not a part of the European Currency System, but it is a party to the ECU, the European Calculating Unit. For this reason, it is affected, even if only formally, by the European reclassification of currencies and it must follow, in a depreciated way, the weaker of these.

2. Second is the urgent need to devalue the drachma versus the "green drachma" which at present is barely 103 drachmas when the ECU is 135. The aim of this devaluation--which will be an inadequate 16 percent--is to restrict the percentage of subsidy for foreign agricultural products and foods imported from the EEC to the Greek market and displacing Greek products at the same time.

3. Third is the need to re-establish the purchasing disparity between the drachma and European currencies. The drachma, on one hand, suffers from inflation which is "running" at an annual rate of 24 percent while the European currencies, on the other, have inflation rates from one-third to ten times lower.

4. Fourth, just as Italy, Portugal and Spain--countries competing with Greece for tourism--will follow France and Belgium in devaluing their currencies, Greece is compelled to devalue its currency, and even more so since it has a higher inflation rate than these three countries. Otherwise, it will lose tourist clientele.

5. Fifth and very likely: Just as the drachma will have to be devalued versus the European Calculating Unit, following on its devaluation to the German mark, the cross-shaped ECU-DM-$ parity will unavoidably cause a devaluation of the drachma versus the dollar, in order to avoid the danger of arbitrage. Hence. the dollar will soon go up to 160 drachmas.

Finally, but not without importance, the "versatile" "new exchange policy" which is being inaugurated will be presented as ostensibly keeping the prices of imported products at realistic levels and maintaining the drachma's parity in correlation to Greek inflation. The government, in other words, will take another step--somewhat late, of course--in the direction of the painful but inescapable reality which refutes the socialist fantasies and visions. From now on begins the free-fall of both!

9247
CSO: 3521/115

BRIEFS

FEDER FINANCING FOR MADEIRA--The president of the European Commission, Jacques Delors, announced that financing in the amount of 7 million contos (40 million ECU's) was approved yesterday, 1 million of which will go to Madeira for the development of small projects presented by Portugal to the Regional Development Fund (FEDER). Speaking after the meeting with Cavaco Silva, Jacques Delors declared that the European Economic Community (EEC) is expending every effort to assume its financial commitments to Portugal despite the budgetary problems it faces this year. On the other hand, Prime Minister Cavaco Silva discounted the possibility of Portugal becoming a net contributor to the EEC this year, adding that the government will try to see that that also does not occur in subsequent years. [Text] [Lisbon TEMPO in Portuguese 11-18 Apr 86 p 56] 8711/9435

IPE GAINS RISE--The IPE (Government Investments and Shares) showed 180 million escudos in profits last year, nearly doubling its 1984 results, the institution disclosed. Out of that amount, 97 million will be distributed to shareholders in the forms of dividends. The 90 firms in which the IPE holds shares had sales of 236 billion escudos in 1985, out of which about 70 million were for exports, and the position of the group showed an overall improvement, according to the IPE's 1985 report and accounts. The IPE points out in its report that the substantial improvement in performance over 1984 is attributed to a policy of "consolidation and promotion of investment," which reached 25 billion escudos in 1985 for the firms as a whole. At the end of last year, IPE's equity capital amounted to 19.7 billion escudos, as compared to 18.9 billion in 1984, and reserves increased by 14.5 billion as compared with 18.3 billion for last year. IPE's list of companies comes to 90 firms which employed approximately 49,000 persons at the end of 1985. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 8 Apr 86 p 5] 9805/9435

CSO: 3542/89

ECONOMIC SPAIN

COUNTRY'S FINANCIAL, FOREIGN INVESTMENT POLICIES DISCUSSED

Bank Governor Defends Monetary Policy

Madrid ABC in Spanish 17 Apr 86 p 67

[Text] Madrid--Yesterday, the governor of the Bank of Spain, Mariano Rubio, declared before the Congressional Commission on Economy: "The Bank of Spain's obligation transcends mere overseeing, but we have not taken part in the decision-making on the top banking executive levels." He also noted that a new circular memorandum would soon be drawn up on "country-risk," and that there will be an easing of exchange control.

Mariano Rubio claimed that the monetary policy to date has been geared to the public deficit and to the anticipated labor costs. He remarked: "In other European countries, it has been more aggressive, fostering the gearing of the two factors to the monetary policy." He added: "In Spain, we should imitate those systems with a greater predominance for monetary policy, if we want to approach the countries which set the pattern in the European Community."

In this regard, Popular Deputy Rodrigo Rato commented that the Bank of Spain ought to assume a more active monetary position, along the line indicated by the governor, and go so far as to become "the government's economic conscience, to require the economic policy to serve the country's overall interests." Both received a response from Socialist Deputy Martinez Noval, who maintained that the government did not need any economic conscience, nor should the Central Bank depart from the role given to it in the medium-term Socialist economic program.

The progress of circulating money (net assets in the hands of the public, ALP) has shown a more moderate growth during early April than during the 3 previous months, the average for which stood at 17 percent. During January and February, the origin of the growth lay in the requirements for financing the public sector, and in March it stemmed from the private sector's demand for credit, at a high pace, with an annual rate of 9 percent. If this demand does not shoot up, the rate of growth of the ALP will decline sharply during April. This could lead to a maintenance of interest rates and even a reduction therein. In any event, the current position is one of accepting a more expansive monetary policy, with a growth in the ALP on the upper portion of the anticipated range, in other words, 12.5 percent.

The Bank of Spain governor declared that, out of 18 Rural Banks being put on a sound footing, there were nine which, in its opinion, should undertake to merge with other Rural Banks or to be absorbed by Savings Banks; an opinion shared by the Ministry of Economy and Finance, although the Agricultural Credit Bank does not agree with it. If there were supplementary assistance available, this would save five of those entities with problems that are seemingly impossible to solve. Nevertheless, it would burden the position of the Cooperative Guarantee Fund, which has a legal obligation to seek the cheapest solution.

Mariano Rubio claimed that a more flexible regulation must be sought for the Rural Banks, which would enable them to carry out credit operations dissociated from the entity's own members, to seek independence for their management organs with regard to their debtors, and to change the capital contribution system, making it compulsory and a risk one; in other words, it would share the entity's fate. He observed: "If the members have nothing to lose, based on human law, this could lead to overly generous policies with the funds of third parties. Lastly, consideration should be given to the feasibility of undertaking mergers of entities, not because those of smaller size are underestimated, but rather to help provide a more suitable organization than the current one."

Strong Peseta

The governor said that it was true that we have a strong peseta with an economy that is not growing very quickly, but noted: "With a depreciating currency, it is impossible to maintain prices."

He announced that a new circular memorandum on "country-risk" would be sent to the financial entities, which will demand a major effort with regard to funds, of the same magnitude as last year's. It also requires a similar effort in the form of contributions to the pension funds, but with strong enforcement in this respect.

In response to a question from Socialist Deputy Martinez Noval, the governor of the Bank of Spain commented on the appointment of Claudio Boada as president of the Hispano-American Bank, claiming that the Bank of Spain had nothing to do with the selection of the individual.

Foreign Investment Regulations Liberalized

Madrid EL PAIS in Spanish 25 Apr 86 p 47

[Text] Madrid--The Ministry of Economy is currently completing a decree to ease controls on foreign investments in Spain, which will be sent on an emergency basis to the Council of State for study, so that it may be approved by the Council of Ministers before the end of May. The bill eases restrictions on foreign investment in all sectors except defense, security, air transport, radio and television, gaming, and gambling.

The decree which the Ministry of Economy will send to the Council of State involves an attempt to make substantial changes in the current legislation on foreign investments, based on the 1964 law, and includes changes in the definition of what are regarded as direct investments and those in portfolio. Included among the direct investments are long-term loans (over 5 years) that a foreign firm can grant to a Spanish company, provided they are to be used to create or maintain lasting economic ties. The inclusion of such loans as direct investments is already acknowledged by the European Community, and the decree proposes their complete decontrol, requiring them to be reported solely for statistical purposes. The decree eliminates the existing restrictions for investors from the European Community and third countries.

The Ministry of Economy's bill will also ease controls on investments made through reinvestment of profits (capitalization of legally established reserves and dividends), which have required prior authorization up until now. This measure had to be adopted, because there had often occurred the paradox of foreign business firms already established in Spain which could continue to contribute external funds without any need for prior authorization, whereas, to reinvest their surpluses in Spain, they had to submit to the procedure for authorization. Also included among the decontrolling features will be the payments for technical assistance and royalties; although this ruling will be published in a joint decree of the Ministry of Economy and the Ministry of Industry, because both have authority.

Another measure included in the legislative decree on foreign investments issued by the Ministry of Economy and Finance is the change in the concept of direct foreign investment, considering it that made in Spanish firms through the purchase of securities not accepted at the official stock market quotation; while that considered to be in portfolio is the type made by purchasing securities that are accepted at a quotation. Guillermo de la Dehesa, general secretary of commerce, is of the opinion that it might be possible to reach the absurd situation wherein "one would go so far as to make a direct investment and control a Spanish firm through the purchase of its stock on the stock exchange; in other words, through an investment in portfolio."

Therefore, the decree accepts the Community's definition, wherein a direct investment is considered to be "one which serves to create or maintain lasting direct relations between the provider of funds and the business owner or business firm to which it is going, for the purpose of engaging in an economic activity."

Spain's integration into the European Community requires the abolishment of the safeguard clause stipulated in Decree 1,042 of 1985, which authorized the administration to disallow, as an exception, the general authorization for foreign investment projects which, "owing to their amount, nature, or financial features" might have consequences detrimental to the national economic goals.

The Protected Sectors

The draft legislative decree on foreign investments keeps the restrictive criteria governing prior authorization for certain productive sectors and for some types of foreign investment. Specifically, public foreign investments, that is, the ones made by different states, will have to continue to be authorized by the Council of Ministers, as has been the case up until now. In this way, there is retained the possibility of refusing some type of public investment by a nation which, normally, for political reasons, is not desired.

As for the productive sectors for which prior authorization is currently required, most of them have been abolished. Investments in banks, carburetants, refining, prospecting and development of hydrocarbons, film-making companies, mining, shipping and insurance company agencies are released from restrictions. Only in the case of the banks and credit institutions is there a temporary ban on their free establishment, negotiated in the process of Spain's joining the European Community.

The sectors in which there will still be a requirement for prior authorization will be those related to defense (weapons and explosives), insurance companies, air transport, gambling, radio and television.

2909
CSO: 3548/53

FELDT DEFENDS ECONOMIC POLICIES BEFORE RIKSDAG

Stockholm DAGENS NYHETER in Swedish 23 Apr 86 p 8

[Article by Dick Ljungberg: "Feldt Responds to the Opposition: Quick Growth not Everything"]

[Text] Fast economic growth is not an end in itself. The demands for it must be evaluated against other equally important demands such as economic and social justice, regional balance and a good environment.

That is what Finance Minister Kjell-Olof Feldt said during the debate on growth in the Riksdag on Tuesdag.

Conservative leader Ulf Adelsohn and Liberal leader Bengt Westerberg had asked Prime Minister Ingvar Carlsson about measures for increasing economic growth, among other things. However, the reply was given by Feldt, which caused Ulf Adelsohn to congratulate him upon becoming deputy prime minister.

Private Sector

But the prime minister might have engaged in a broader debate than Feldt and might not have assumed such a supercilious attitude, in Adelsohn's opinion.

He said that the private service sector is of major importance for economic growth. The public sector is sluggish, and private initiatives, for example in the area of health care, always turn out to be cheaper. Economic growth can never be produced if administered by the Finance Ministry. For that it is necessary for individuals to take initiatives and responsibility.

"Many have stared blindly at the enormous expansion of the private service sector in the United States. But that was built on the fact that they had a reserve army of people who accepted lower wages," Feldt said. What the United States had needed more was growth in the automobile industry.

Everyone Agrees

It is the administration's opinion that care, health services and education for reasons of distribution policy should take place within the tax-financed common sector, the finance minister asserted.

Bengt Westerberg pointed out that everyone agrees on the importance of growth for jobs, distribution policy etc., and he agreed with Feldt's positive view of the economy.

The Liberal leader took up five points: the concern about the cost situation, the tax proposal which has given many wage earners a higher marginal tax, inertia in the capital, the weak production development within the public sector and the problems of higher education institutions.

Westerberg received a few words of praise from Feldt, who agreed that, among other things, strong measures are needed to improve the higher education institutions. Other than that, Feldt referred to the supplementary bill which will come on Friday.

"I believe that at least some of the proposals there for the purpose of promoting growth will gain favor with other parties as well," he said.

The Price of Growth

Nils G. Asling of the Center Party jumped into the debate and agreed with Feldt that growth is not an end in itself.

"We have waited long for that declaration from an administration which lacks distribution policy," he said. The new poverty, the moving vans and letting agricultural land lay fallow is part of the price of growth.

"Of course, we need growth in order to develop society. But continued concentration in society is a price too high for the Center Party."

"Am I right in interpreting Asling so that growth is needed but that it must be opposed," Feldt wondered. And Bengt Westerberg spoke of Asling's "false" opposition between growth and distribution policy.

11949
CSO: 3650/190

FELDT PLEDGES TO ALLOW CONTINUED CONSUMPTION GROWTH

Stockholm DAGENS NYHETER in Swedish 23 Apr p 8

[Article by Ake Ekdahl: "Consumption May Grow; Forest Owners Squeezed"]

[Text] Increased taxes for forest which is not harvested and more favorable terms for those who cut down their forest.

That is the whip and the carrot which the government will present on Friday in the so-called supplementary bill in order to obtain more raw lumber for the sawmills and the lumber industry.

On Tuesday Finance Minister Kjell-Olof Feldt outlined his revised financial plan and the government's supplementary measures for the coming year before the Social Democratic parliamentary group. A happy message to the Swedish people is that the cheaper oil will be allowed to have its effect and be passed on as greater private consumption.

Today the forest owners have a forest maintenace surcharge, which for the 1985 tax year is levied in the amount of 6.5 mills and for the 1986 tax year at 8 mills per krona of taxable value of forestry.

In addition to this, the government will now levy an annual minimum charge of 300 kronor and 1,000 kronor as a special minimum charge for each partner in undivided estates.

He who harvests may today set aside 40 percent of the profits for delivered lumber in forest accounts over 10 years and 60 percent for the sale of standing forest. This allocation will now increase to 70 percent and 90 percent, respectively.

According to the finance minister, the policies of the third alternative have now brought the country's economy into a safe harbor.

The international drop in the price of oil can be allowed to show its effect and benefit the consumers in the form of increased room for spending. Private consumption is expected to increase in the next few years by 2.7 percent and municipal spending will grow by 1.2 percent.

Inflation

Inflation was pushed pack to 2.5 percent at the turn of the year, and the trade balance indicates a surplus of 5 to 10 billion kronor. Profits are to be kept high in the companies in order to produce real increases in wages. These are considerably brighter figures than what the administration presented to the Swedish economy in January.

The decline in oil prices, the lower dollar exchange rate and the lowered discount rate have given the Swedish economy a push, so that all curves are now pointing in the right direction, the administration believes.

For the coming year the budget deficit will decline by about 10 billion kronor annually, according to Feldt's plan, and that could guarantee a continued low inflation rate.

Surcharge

While waiting for a major municipal economy bill next year, which will overhaul the entire tax equalization system between municipal regions, the administration is continuing the so-called Robin Hood tax.

In order to compensate for the saving of 600 million kronor in state subsidies for teacher salaries that were stopped in Parliament, the administration is now imposing a 13-ore surcharge on municipal taxes.

The administration has the parliamentary support of the Liberal Party for doing so.

11949
CSO: 3650/190

BRITISH PETROLEUM, STATOIL BEGIN OIL SEARCH ON SVALBARD

Oslo AFTENPOSTEN in Norwegian 5 May 86 p 39

[Article by Cato Guhnfeldt: "BP and Statoil Pioneering Oil Exploration on Svalbard's Glaciers"; first paragraph is AFTENPOSTEN introduction]

[Text] The explosions thunder across Svalbard's glaciers southeast of Svea, where British Petroleum is conducting seismic investigations in the search for oil. One hundred twenty men with two helicopters and seismic drilling and measuring equipment are involved in an operation which just this year will cost over 50 million kroner.

The BP leadership on Svalbard is carefully optimistic. If oil is discovered 1500 to 2000 meters under the surface they believe that there could be large deposits for future discovery, according to BP.

Also Statoil has for the first time during the past week begun seismic investigations on the top of Svalbard's glaciers, while the company Arctic Development Corporation has been exploring on firm ground. This will be the first time that this type of seismic technology has been used on glaciers in the search for oil.

Gaining Experience

Svalbard has for a long time been regarded with interest by oil people. Since the middle of the 1960's a total of 13 holes have been drilled on Svalbard, but so far nothing has been brought up but gas and weak indications of oil.

"We are obviously interested in the oil," pointed out BP geophysicist David Calton in his headquarters beside the Norwegian miners' dwelling at Svea. "But BP is also interested in possible oil deposits in the Barents Sea. Knowledge of Svalbard's ground conditions will also teach us something about conditions under the sea to the east," he explained.

"If there are profitable oil deposits on Svalbard, BP will hardly be able to come into production before the middle of the 1990's at the earliest," said Calton.

"We believe that Svalbard is a very interesting area--also because of the favorable tax aspects of exploiting the natural resources of land areas," he emphasized.

Deadline 1 December

A total of 79 workers from north Norway are employed by Horizon Exploration to lay out cables, detectors (geophones), explosives, and to drill holes 21 meters deep every 25 meters along lines laid out across the glaciers. Four hundred grams of TNT will be detonated at the bottom of each hole, with detectors stretched out 1500 meters on each side to record the reflections of the sound waves from the bedrock.

Ground conditions will be investigated along a total distance of 320 kilometers, back and forth across the 1800 square meter [as published] area where BP has shown a requirement for privileges on Svalbard. All measurements are recorded on magnetic tape which will be studied and analyzed in southern England this summer.

Before 1 December this year BP must be able to document a need for exploratory drilling in the area for Norwegian authorities.

Since the end of April Statoil has had a total of 50 men working with its investigations in the so-called Grimfjell area on the southern tip of Svalbard. In general the work is carried out according to the same methods used by BP.

For its part, the Arctic Development Corporation is working on land west of Svea in an area which belongs to Norsk Polarnavigasjon. Nearby the Russians have already begun drilling. The extent of Russian seismic investigations in this area is not known, nor are the results of the drilling.

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9 JUNE 1986

West Europe Report

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SCHLUTER SEEN NEEDING TO HANDLE COALITION PARTNERS FIRMLY

Result of Easter Package

Copenhagen BERLINGSKE AFTEN in Danish 14-20 Mar 86 pp 1, 2

[Commentary by Solveig Rodsgaard]

[Text] The government's hinterlands, the four parliamentary groups, must be ruled with an iron hand if the government is to become stronger by the next parliamentary elections. It is no secret that the rank-and-file members of the coalition parties may feel bad when cabinet ministers are selected among people who are not members of parliament. Some members will feel ignored.

The major reshuffling of the cabinet has clearly strengthened the coalition government and Prime Minister Poul Schluter has indicated once again that he has personal control of the political situation. The clear purpose has been to create an effective government for the rest of this term. But precisely the composition of a strong government demands extremely effective control of both the government and the four parliamentary groups. The government's relationship with the parliamentary groups can be hurt by the fact that the government has selected three ministers from outside parliament. Nor is it any secret that it may be a problem for any government--regardless of party colors--to have former ministers as members of the parliamentary groups.

The Conservative Party parliamentary group with 43 members must accept the fact that three of the four new Conservative ministers are not members of parliament, while three former ministers will now work within the parliamentary group. To be sure, the Liberal Party's two new ministers both come from the parliamentary group, but the group now also has two extremely disappointed former ministers and it is no secret that former Agriculture Minister Niels Anker Kofoed's relations with party chairman Uffe Ellemann-Jensen are somewhat strained. The parliamentary group of the Center-Democratic Party (CD) has certainly been strengthened by the selection of former Housing Minister Niels Bollmann as group chairman, but this is also a clear signal that loyalty to the coalition government will be given more emphasis. Once again, the Christian People's Party has had its request for an additional cabinet position denied. At the same time, the four rank-and-file members of parliament have a somewhat strained relationship with the party's cabinet member, Environmental Minister C. Christensen.

Thus, there is a need for the correct management of the parliamentary groups and the four group chairman--the Conservative Knud Ostergaard, Ivar Hansen of the Liberals, Center-Democrat Niels Bollmann, and Jens Steffensen of the Christian People's Party. Prime Minister Poul Schluter must utilize all his political ingenuity to make the cooperative effort work. With regard to Jens Steffensen, Poul Schluter must also accept the fact that, this time around, it was the Christian People's Party chairman who was first to demand an additional cabinet seat.

Changes

The reshuffling of the cabinet has been in the works for a long time, but the prime minister has had a firm grip on this development all along. After the referendum on the EC package that the government won, there are clear indications that the next parliamentary elections will not be held before late 1987. Thus, the strategy is that the new, firm grip on the government will result in a bright future for the coalition even after the next parliamentary elections.

The head of state has found it necessary to install a new Conservative as industry minister in place of Ib Stetter. This is seen as a gesture to the business world, but at Christiansborg it is also believed that, by selecting chairman Nils Wilhjelm of the Industry Council, Poul Schluter has once again been clever enough to "take a hostage." After all, how will businessmen now be able to formulate criticism against the government? Appointing Professor H. P. Clausen, former chairman of the Media Commission, as new culture minister also represents a gesture to the Radical Liberals and the Social Democrats, especially in connection with the prolonged negotiations over a possible TV-2 channel. The new labor minister, Henning Dyremose, who left the Conservative parliamentary group some 2 years ago, should be dynamic but skillful in his negotiations with those involved in the labor market. Only 6 months remain until negotiations toward a new contract begin. It is no secret that Grethe Fenger Moller has had difficulties with the Labor Ministry and with her field of responsibilities. Now she will become political chairman instead. With the selection of Lars P. Gammelgaard as fisheries minister, Poul Schluter has recognized his hard work as political chairman and will now expect him to work hard at the Fisheries Ministry, as well. But this also means that the likewise hard-working Henning Grove will be sent back to the parliamentary group.

Svend Erik Hovmand of the Liberal Party, until now the chairman of the Finance Committee, will also be recognized for his efforts in parliament. He will be placed in charge of an Energy Ministry that his predecessor, Knud Enggaard, has gotten on track. Now Knud Enggaard will attempt to do the same at the Interior Ministry, where Britta Schall Holberg has created many problems, especially with regard to local communities. In the future, Britta Schall Holberg will spend her energy at the Agriculture Ministry as successor to Niels Anker Kofoed. As agriculture minister, he has quarreled with the Social Democrats and with Environmental Minister C. Christensen. In addition, his relations with many members of the Liberal Party's parliamentary group have been chilly, to say the least. The new Liberal housing minister, Thor Pedersen, took the position by default, since Elsebeth Kock-Petersen did not want to be housing minister, even though she had to accept loyally the fact that former Culture Minister Mimi Stilling Jakobsen took her position at the Social Affairs Ministry. There are now many disappointed members of the Liberal Party parliamentary group. The most disappointed member, however, must be the party's deputy chairman Anders Fogh Rasmussen. He had certainly counted on being a cabinet minister after the reshuffling, but the official word is that there is a great need for his work as deputy chairman, since party chairman Uffe Ellemann-Jensen, who is foreign minister, must often be away from the group. But Anders Fogh Rasmussen does not have the most cordial relations with the party chairman and his many ideological Liberal crusades are a source of irritation not only for Uffe Ellemann-Jensen, but for the government as a whole. Anders Fogh Rasmussen's latest initiative, a nine-point program for the coalition government, infuriated both Uffe Ellemann-Jensen and Economy Minister Anders Andersen. In a response to parliament, Anders Andersen recently distanced himself from the program: "Its contents express the opinions neither of the Liberal Party nor of the government."

The fact that the government's elder statesman, Anders Andersen, is continuing as a cabinet minister at the age of 73 also stresses the need of the Liberal Party for an extremely active liaison between the government and the party's parliamentary group.

The appointment of Mimi Stilling Jakobsen as social affairs minister is an attempt to give the Center-Democrats a sharper profile before the next elections. The Center-Democrats lost seven seats in the January 1984 elections and the parliamentary group of eight members has had a difficult time keeping a high profile because it had to give up four cabinet positions (Greenlandic Affairs Minister Tom Hoyem is not a member of parliament, however). By placing the party's "crown princess" in one of the most important ministries, both the prime minister and the political leader of the Center-Democrats, Erhard Jakobsen, hope to draw the party more into the limelight. On the other hand, the party (Erhard Jakobsen) has voluntarily given up one cabinet position, but the parliamentary group is strengthened by having former Housing Minister Niels Bollmann as group chairman, even though Bollmann may have led an extremely quiet existence as housing minister.

Schluter's Plan

As mentioned before, Prime Minister Poul Schluter has planned to reshuffle the government for some time. He wanted to make extensive changes. Late last year he began to move and in early December the first real discussions took place between the prime minister and Foreign Minister Uffe Ellemann-Jensen. Erhard Jakobsen, Mimi Stilling Jakobsen, and Environmental Minister C. Christensen were also informed. In addition to these discussions, the prime minister also had detailed talks with Finance Minister Palle Simonsen, who is one of the prime minister's closest advisers, Justice Minister Erik Ninn-Hansen, and Conservative Party parliamentary group chairman Knud Ostergaard.

During December the plans to reshuffle the cabinet became more concrete as a result of meetings between the prime minister and the foreign minister and, secondarily, meetings involving the prime minister, the finance minister, and Knud Ostergaard, and meetings with the Liberal Party including the foreign minister, Economic Minister Anders Andersen, and parliamentary group chairman

Ivar Hansen. The idea was that the changes in the government would be made in early January before parliament reopened after its Christmas recess on 14 January. But the Social Democrats' rejection of the EC package and the prime minister's decision to call for a referendum destroyed these plans. Top leaders in the government then decided that the changes would be made just before Easter.

Everything was very hush-hush and, in keeping with Poul Schluter's style, the cabinet changes were to come as a surprise. Around the time of the EC referendum, however, reports concerning changes in the government began to appear. The newspapers, radio, and TV news had various ministers exchanging places and there was talk of a new superministry consisting of all the economic ministries, under the leadership of Uffe Ellemann-Jensen, so that he, as party chairman, could stay at home and take care of the party. In return, Finance Minister Palle Simonsen would become foreign minister. Although Uffe Ellemann-Jensen immediately denied the stories about a superministry, the leadership of the government was already to the point of having a list of names. This list did not have the foreign minister and finance minister exchanging places.

Last week, while the Nordic Council was meeting in Copenhagen and parliament was in recess, more work was done on the list of ministers. Only a few cabinet ministers and others close to the government were informed, however. No cabinet meeting had been held since 18 February, first because of the EC referendum and then because of the Nordic Council. At the traditional Friday breakfast between the Conservative ministers and group chairman Knud Ostergaard on 28 February, a question concerning the many reports that had appeared in the press was coolly received.

On Wednesday 5 March the prime minister offered the position of industry minister to Industry Council chairman Nils Wilhjelm. He accepted immediately. On Thursday Professor H. P. Clausen agreed to become culture minister. Also on Thursday Novo director Henning Dyremose agreed to become the new labor minister. Poul Schluter had attempted to locate him in India for several days and on Wednesday Schluter contacted him by telephone in Bangalore. By Friday the list of ministers was almost complete.

Rumors

All this time the rumors were flying. Big changes--little changes--or perhaps no changes at all? The prime minister did nothing to help. "Concerning changes in the government, they could occur before Easter or after Easter or not at all," Poul Schluter said. It was also stated that a possible change had been blocked because neither industry minister Ib Stetter nor Economy Minister Anders Andersen wanted to leave. Ib Stetter did not want to wear this label. On Saturday he called Poul Schluter and told him that "the reports indicating that I refuse to leave are nonsense." In addition, Ib Stetter had written a letter to the prime minister back on 4 January 1985 pointing out that Stetter would turn 68 on 1 March (1985), so that if the prime minister wished, he could select a new industry minister.

A cabinet shakeup was more or less official shortly thereafter. CD political leader Erhard Jakobsen said once again that CD had no objections to Niels Bollmann's leaving the Housing Ministry to give new blood to the CD group in parliament. When it became clear that the Conservative Party would then have one more cabinet position than it was given when the government was formed in September 1982, the Christian People's Party entered the fray. The party's national congress passed a resolution, according to which the party's parliamentary group should work to gain an additional cabinet position, since the party gained one seat in the January 1984 elections, while CD lost seven seats. Group chairman Jens Steffensen and party chairman Flemming Kofod-Svendsen felt that this decision should now be implemented. As stated, however, the Christian People's Party gained nothing from this crusade except that, if the coalition parties form another government after the next elections, the Christian People's Party would be given two cabinet positions. The prime minister has also emphasized that the Christian People's Party actually holds two cabinet positions already, since C. Christensen is both environmental minister and Nordic affairs minister.

In Place

During the weekend of 8 and 9 March Poul Schluter was in close contact with Uffe Ellemann-Jensen. Poul Schluter also met with Erhard Jakobsen. On Sunday morning Uffe Ellemann-Jensen arrived home from several days of vacation in Norway. On Sunday afternoon the list of ministers was complete. On Monday Uffe Ellemann-Jensen informed parliamentary group chairman Ivar Hansen and Anders Andersen. Among the Conservatives, Palle Simonsen and Knud Ostergaard were informed several days in advance. Justice Minister Erik Ninn-Hansen received the final list of ministers on Tuesday morning from the prime minister and it is no secret that the justice minister was not in total agreement with the prime minister with regard to the composition of the government and the timing of the changes.

According to the plan, the four "fired" ministers would be informed on Tuesday, there would be a final meeting with the prime minister on Tuesday afternoon, and on Wednesday morning, 12 March, the cabinet changes would be made public at the same time that the outgoing and incoming ministers met with the regent, Queen Ingrid.

The normal cabinet meeting was held on Tuesday--the first since 18 February. It was a somewhat remarkable meeting. Not a word was said about the upcoming changes in the cabinet so that, apart from the top ministers, the cabinet members knew no more than what they had read in the papers. In the afternoon, however, Henning Grove was called in to see the prime minister while, at the same time, Uffe Ellemann-Jensen called the Liberal Party ministers involved to meet with him at the Foreign Ministry. It turned out, however, that Elsebeth Kock-Petersen did not want to be housing minister, even though both Uffe Ellemann-Jensen and later Anders Andersen and Ivar Hansen tried repeatedly to convince her. Thus, Uffe Ellemann-Jensen had to take out his list of four names he had held in reserve. Thor Pedersen was first on the list and he agreed immediately.

The last minister to be informed of her dismissal was Grethe Fenger Moller who returned home from a meeting in the Hague on Tuesday afternoon. Several hours later, after everything had fallen into place, the prime minister decided to announce the new government to the numerous members of the media who were waiting at the Prime Minister's Office.

Schluter Discusses Goals, Election

Copenhagen BERLINGSKE TIDENDE in Danish 16 Mar 86 p 5

[Article by Carl Otto Brix]

[Text] In the midst of the third major political struggle in a brief time, Prime Minister Poul Schluter tells about the EC referendum, the problems involved in reshuffling the government, the struggle to create economic balance, and a future that will reward individual talents and ingenuity.

The reshuffling of the government is part of the political strategy for the coming years, Poul Schluter (Conservative) told BERLINGSKE SONDAG after two major political events--the EC referendum and the cabinet changes--and in the midst of a third--the implementation of the Easter package.

"The changes in the government were not a necessity. It has been a great strength--and a great pleasure, I might add--that we have had the same team for so long. But if we look several years into the future, which we must now do, we see that, according to all indications, the next parliamentary elections will occur in about 2 years. Of course, there is no guarantee. We could just just as easily have elections 14 days from now. According to all indications, however, it will be in 2 years and the government must make its plans accordingly."

"A rejuvenated team will do the job over the next 2 years. It should be new and fresh enough to go out to the voters and say: 'Dear friends, you know our policies. You can count on this government in the future, as well.' Of course, there is nothing to prevent minor changes."

Does this mean that the major problems have taken their toll on some of the former ministers?

"No, I do not mean that. The government could easily have continued for another 2 years without anyone's becoming physically or mentally exhausted. But it would not have been convincing to continue without making any changes at all in the cabinet. For then people would say that we were about to make the changes that have been expected for so long. It is more fair to do it now."

Have the changes destroyed the friendly climate?

"I cannot imagine that they have. The day that a minister ceases to be a minister is an unusual day, but everyone who has left the cabinet has been given an important new task. They will all have plenty to do."

Is it too much to say that new advisers have replaced old ones at the prime minister's side?

"To the extent that I have consulted with anyone, it is the same group as before. They are group chairman Knud Ostergaard, Finance Minister Palle Simonsen, and Justice Minister Erik Ninn-Hansen--those three in particular. I must admit, however, that in such a personal and delicate task as reconstructing a government--after all, that means that some will leave and others will enter the government--it is necessary to be prime minister in the sense indicated in the constitution--more so than in the ordinary day-to-day work. The prime minister appoints his ministers. It is best if the prime minister shoulders the burden of both the easy and the difficult decisions."

How do you make those often difficult decisions?

"I do it by beginning to think through the situation well in advance, at a time when the solution to the problem is not especially urgent and need not be found immediately. If you do this, it is not so difficult to make the decision in a short time, once the moment has arrived."

Liberals Have Not Been Weakened

Does this mean that the thought of changes came up even as the government was being formed in 1982?

"No, no. Not after the 1984 elections, either. At that time I was convinced that it would be best for this government to continue unchanged, but I have known all along that after 3 years it would be my duty to consider changes."

When did you come up with the names?

"I do not wish to answer that. You begin to think of the names several weeks in advance."

This government differs from one-party governments. Agreements have been reached among the four parties included in the government. There is no doubt that the Liberals, who were even with the Conservatives when the government was formed, are now in a weaker position. Has that not caused problems?

"Certainly not. The Liberals have not been weakened. The party still has eight cabinet positions. Two changes occurred in the January elections. CD lost seats and the Conservatives won seats. The Liberals and the Christian People's Party won one seat each. Since we were about to make a significant change in personnel, I insisted that the Conservative Party point out that we had become a larger family and that, naturally enough, we could meet the challenge by going outside Christiansborg to find outstanding and recognized personalities to participate in public service for one term. In this connection, it was important that CD make a cabinet position available. That party did so in the friendliest possible fashion."

You offered Liberal Party chairman Uffe Ellemann-Jensen a post as economy and industry minister. Did your coalition partner let you down once again?

"I believe it is a fine thing that the foreign minister is staying on at his present post. He is well qualified for the position. We can hardly stress enough here at home--after all, Danes are seldom recognized in this country--how much respect people have for Uffe's efforts. He has developed a great international reputation. That is good for him, but it is also good for the government and for our country."

Why then would he become economic and industry minister?

"I cannot confirm that this was a possibility. It has been in the cards all along that he would continue. It would be something else entirely, however, if Uffe Ellemann-Jensen came and said he wanted to change jobs. In that case, of course, we would discuss the matter."

Ellemann And Cooperation

Is not the foreign minister standing in the way of one of the goals that prompted the cabinet changes: reestablishing foreign and security policy cooperation with the Social Democrats?

"I wonder! I wonder about that. The Social Democrats have chosen the foreign minister as a constant target to attack. This may be because it suits the party's need on the EC issue--and, in part, on security policy issues--to be on the same wavelength as SF (Socialist People's Party). That is so convenient. It is easy to resort to personal attacks when you run short of objective arguments. It was primarily a number of organizations that, in connection with the EC election campaign, used their members' money for an extremely vulgar, cartoon-like campaign against the foreign minister. I believe that was the most painful and vulgar aspect of the campaign. It truly was. This is rare in Danish politics and I hope it is never repeated."

Does that mean that the head of the government has given up the idea of cooperating with the Social Democrats on foreign and security policy?

"Certainly not. We have done the Social Democrats the great service of using the referendum to reaffirm Danish EC membership on the new terms. I really mean this. After all, it is clear that most Social Democrats are relieved by the positive outcome. They may also be happy that, despite everything, as many as 44 percent voted against the proposal. I believe we have reached a decision of historic proportions and that this is positive for the Social Democrats, as well. Now we will no longer discuss the pros and cons. I hope we will now work well together to see that, under the new regulations, Denmark will utilize its membership to its best possible advantage. That should be something we could work for in a proper, reasonable, and relaxed manner. I also believe the parties will discover that this is in the best interest of both sides on the labor market."

Easter Package Will Give Surplus

Will another 3 months pass before new economic measures are put into effect?

"Experience has taught me how difficult it is to predict the international economic situation. In December I believed it was improbable that within the next few months we would experience another sharp drop in oil prices and in the exchange rate of the dollar. This is the reason behind what has come to be called the Easter package."

You are saying, then, that there could well be another package in 3 months?

"No, I am not saying that. We can predict our own national economic situation quite well. Here we are on more certain ground. I believe that the Easter package has helped us avoid a collapse of our continuing upswing. It has also made us solvent. The Easter package will also result in an historic turning point since, perhaps even in 1986, we will see a surplus in the government's finances. We started with an 80 billion kroner deficit. Because of the Easter package, real wages will increase slightly and the number of jobs will continue to rise."

These are three indications that we have a prime minister with increasing power at the head of our government. How does it feel?

"I have never thought of myself as a powerful person or a strong man. I believe I have done my political duty. Whenever possible, I like to deal with problems early and not have to solve them after business hours. This is the way to keep control of things. When other people entrust you with leadership, it is your duty to develop certain leadership qualities. This includes planning several months in advance."

Are you just as popular as you were before in the Conservative parliamentary group?

"You see, I remember when I was younger myself and was mentioned as a possible cabinet member on numerous occasions. It began with the Liberal-Christian government formed in 1968. I remember the feeling well. Several members of the Conservative group in parliament probably felt that I had them in mind and they are absolutely correct. But their time will come."

When?

"That is impossible to say. I can only say that I have made the decision that is best for both the government and the Danish people. It is good for Danish politics if several ministers come from the outside, with new ways of thinking and new vigor. They must be involved in society."

What will be the next major task of this government?

"We will start a campaign to renew and streamline all aspects of Danish society. Since everything is more highly organized, Danish society has become more rigid, somewhat bureaucratic and cynical. Too many experiments and innovations are stifled before they even begin. We have an overly organized society. It has its pluses, but there is also a price to pay."

"What I mean is that we are a society of organizations and institutions. Danish life is controlled by regulations, norms, and standards--decisions that organizations and authorities have made for us. Sometimes this is good and sometimes it is not. We must be on our guard, however, so that this does not kill too many new initiatives that could be of use to us. We are slow to adapt to new conditions. This raises the risk of a reactionary rejection of innovation. Through the government's modernization program we will attempt to promote the talent, innovation, and daring of the individual. That will be our next project."

Conservative Folketing Delegation Revolt

Copenhagen BORSENS NYHEDSMAGASIN in Danish 24 Mar 86 p 8

[Article by John Wagner]

[Text] Once again Prime Minister Poul Schluter has played for high stakes and won. He managed to pass the "Easter package," just as he managed last February to gain approval for an "EC package" and last week he managed to carry out an historic cabinet shakeup. With his at times bulldozer-like drive, however, he is in danger of having undertaken his last major economic measure this side of the next parliamentary elections.

The problem is not the small coalition parties. CD and the Christian People's Party usually jump up like lions and fall down like lambs. This is part of the process that occurs before a significant decision by the government.

The problem is that the government as such and the Radical Liberals as a support party cannot withstand another round. They can agree to adjust energy taxes in the middle of May, but that is all. In addition, the stage is being set in the Conservative parliamentary group for a confrontation against the obstinate style of leadership that (once again) was demonstrated during the negotiations over the Easter package.

Everyone in the Conservative group understands completely that the prime minister had to act above their heads when he called for a referendum on the "EC package" and when he reshuffled the cabinet. It was painful to many, however, when they learned only on the radio news that they were later going to elect former Labor Minister Grethe Fenger Moller their new political chairman. This was not so much because they wanted to elect someone else, but because the procedure was undemocratic.

The same was true of the process that preceded the approval of the "Easter package." They agreed with the contents, but they were certainly not happy to learn all the details through the various media. You feel a little ridiculous when you are given a 7-minute report by the prime minister, discuss alternative possibilities for 1 hour, and then learn that the government's proposal has already been distributed to the members' mailboxes.

"You" refers to a growing number of the 43 members of the Conservative Party parliamentary group. At a group meeting last Friday three members (Bernt

Johan Collet, Helge Adam Moller, and Svend Aage Petersen) directly criticized the procedure--for the first time in the history of the coalition. At the group meeting, there were an additional five or six members who indirectly supported the criticism, while some dozen resigned themselves to the inevitable. Thus, at least half the group has recently sparked the rumors of a "Ridebane Revolution." It was given this name because a majority of the critical members have offices in the Ridebane wing.

The frustrations of the past week must also be seen in the light of the fact that the prime minister brought in three Conservative ministers from outside the parliamentary group in connection with his cabinet shakeup. He did this even though Justice Minister Erik Ninn-Hansen and group chairman Knud Ostergaard warned him that there would be a strong reaction.

Several members of the group have confirmed that their patience is wearing thin and that a confrontation would have occurred last week if the opinion polls had not shown repeatedly that voter support for the party remained high. It is difficult to protest against policies that are successful--and guarantee reelection.

There was no "Ridebane Revolution" at the group meeting on Wednesday afternoon and there will be none in the immediate future, in part, because first Knud Ostergaard and now the prime minister have been out of the country. In addition, most members admit that the revolt is doomed to failure--and once a troublemaker has been put into the "deepfreeze," it takes a few years before the prime minister and the group leader are willing to forgive him.

On the other hand, many believe that both Poul Schluter and Knud Ostergaard have been given such a fright that the decision-making process will be democratized to some extent as early as just after Easter. Others believe that it will never change as long as Knud Ostergaard is chairman.

For the Radical Liberal parliamentary group the problem is not lack of influence, but rather the reverse. Group leader Niels Helveg Petersen comments on the negotiations in an interview on the next page. What he does not say is that it caused the Radicals major problems when, during the negotiations, there was a strong disagreement among the coalition parties.

The Radicals must have several clear concessions each time a financial austerity agreement is reached. If one of them this time would be to eliminate qualifying days for sick pay, it would not help them if CD supported this idea in advance. In addition, the initiative to raise the sales tax by 1 percent was psychologically wrong in a situation in which consideration had to be given to public employees. A 1.5-day discussion on a 0.5-percent increase in the sales tax was absurd in the overall picture.

All in all, it was more difficult than expected to gain a majority for the Easter package--and it was rather remarkable that the prime minister confirmed that fall elections could be possible. After three economic initiatives in 1 year, some signs of erosion may be seen. The government is standing at the crossroads, where it must choose between radical reforms and fall elections.

Christian Party Reportedly Frustrated

Copenhagen BERLINGSKE AFTEN in Danish 4-10 Apr 86 p 3

[Article by Solveig Rodsgaard]

[Text] The unrest in the Christian People's Party continues. Member of parliament Arne Bjerregaard still does not hesitate to vote against proposals from the coalition government. Even though, in his opposition to the energy tax proposal in the Easter package, he nearly created some parliamentary problems for the government because of a technical error during the negotiations. In addition, Arne Bjerregaard believes there are "tactical considerations" behind Prime Minister Poul Schluter's promise to give the Christian People's Party two cabinet positions if the coalition government wins the next elections. In this way, the prime minister would force the Christian People's Party to be part of that government.

Arne Bjerregaard's solo appearance during the third reading of the energy tax proposal resulted in his being dismissed as his party's spokesman on tax issues. The party chairman, member of parliament Flemming Kofod-Svendsen, was extremely disappointed that the Christian People's Party was divided on this important vote. The proposal was approved (by 58 votes to 57) only because Oli Breckmann of the Faroe Islands voted with the government. The reason for this drama was that a technical infraction during negotiations caused the nonsocialists to come up one vote short. This issue has prompted much reflection among the government and the coalition parties, since it shows how vulnerable the coalition is if there is the slightest hitch among the parliamentary groups.

[omission] Then politics is simply a commodity and I do not want to participate in that."

Regrets

Party chairman Flemming Kofod-Svendsen regrets the situation.

"I believe that Arne Bjerregaard has done some good work in the various parliamentary committees, but it is always a burden and unpleasant for the party when the parliamentary group is divided and different positions are taken. We have seen other examples of this among the Social Democrats, for example, with Robert Pedersen's position on security policy and the way Jens Risgaard Knudsen and Karl Hjortnaes voted on the tax reform. I do not want to make a personal attack on Arne Bjerregaard, but of course there is no doubt that I believe it was extremely unfortunate for us to be divided on the energy tax proposal."

Are you satisfied with the agreement you have made with the prime minister concerning an extra cabinet position after the next elections?

"I am happy that the debate over one or two cabinet positions for the Christian People's Party has been ended by a clear statement by the prime minister. It is always foolish to leave things uncertain. Now we know that after the next elections we will have two cabinet positions, if the present coalition continues. Of course, I would have been much more satisfied if it had occurred now. Since this could not be done, I am happy that the issue has been put to rest. We need not enter into new negotiations after the next elections. The uncertainty has been removed and I am happy for that."

[omission] . . . meeting on 15 March and the Executive Committee voted to let the party continue in the government, in part because it would have more influence in the government than outside the government.

It is a fact, however, that there are sometimes communications problems between hard-working Environmental Minister C. Christensen and the four remaining members of the parliamentary group--Jens Steffensen, Flemming Kofod-Svendsen, Arne Bjerregaard, and Inger Stilling Pedersen. There are many people at Christiansborg who believe that C. Christensen is not even interested in gaining another cabinet seat for the party.

Thus, with Arne Bjerregaard going his own way, the rejected demand for two cabinet positions here and now, and the parliamentary group's position toward the environmental minister, there will be much to discuss at the party's upcoming congress on 25 and 26 April Kolding. The motto of the congress will be "Firmness Yields Action." The congress will take up and approve a new program of principles.

Difficult Battles Ahead

Copenhagen BERLINGSKE TIDENDE in Danish 1 Apr 86 p 6

[Article by Carl Otto Brix]

[Text] The many austerity measures that the government has been forced to implement in order to save the economy have taken a high toll on cooperation within the government.

The government is in a weaker position, as it faces the last 2 months of work before this session of parliament is over--presumably by or shortly after Constitution Day on 5 June.

The referendum on the EC package and the reshuffling of the government gave an impression of a strong and efficient government, but the Easter package revealed its weakness, when it had to call in Oli Breckmann of the Faroe Islands to save the day. Without his vote, the energy taxes in the package would have been defeated and the government would have fallen.

Thus, the coalition government has its problems even on economic policy where, in the past, it has been able to secure a majority and chalk up some victories.

A single renegade such as Arne Bjerregaard of the Christian People's Party is enough to bring the government to the edge of the abyss--and this can happen again.

It could happen as early as next month, when there will be a new evaluation of energy prices and the exchange rate of the dollar.

If there is a sharp drop in energy prices and the exchange rate, as there was between December and Easter, there will be another adjustment and the cohesion of the coalition government will be tested once again.

It has already been tested quite severely since September 1982.

The situation is worst for the Center-Democrats, who have seen little of their politics implemented and have had to pay a high price for cooperation in the form of lost seats in parliament. On the other hand, the party has held its head high, even though it is the only coalition party that has lost a cabinet seat.

This has created a little more balance between the number of seats held by the participating parties and their number of cabinet posts, but the imbalance will hardly be corrected until after the next parliamentary elections, which the prime minister would like to postpone as long as possible in the hope that the balance of payment figures will improve.

It has not been easy to change the distribution of cabinet posts among the nonsocialist parties since they took power in September 1982. After all, this distribution was a prerequisite for the coalition and changing it is no simple matter.

The second coalition party that is having difficulties is the Christian People's Party. This is not due to Arne Bjerregaard alone. The party gained support in the January 1984 elections and believes it should receive an additional cabinet position. The party is not satisfied by the fact that C. Christensen actually holds two posts.

He is both environmental and Nordic affairs minister. Now the prime minister has promised that the Christian People's Party will have two ministers in the next government, regardless of how many seats the party holds.

This is assuming, of course, that the coalition wins the elections.

The Liberal Party, which began the coalition government with as many seats in parliament as the Conservatives and whose chairman, Henning Christophersen, had more members of parliament supporting him as a candidate for prime minister than Poul Schluter had, has held onto its eight cabinet positions, but the coalition has certainly taken its toll on Denmark's Liberal Party, as well.

There has been a slight shift, in that the cabinet positions held by the Liberal Party today are hardly as important as those the party had when the government was created. In fact, if Poul Schluter alone had reshuffled the government last month, this shift would have been even greater. But Uffe Ellemann-Jensen held firm.

Thus, these changes will occur after the next elections, at the earliest.

The Conservative Party and its leader are the clear victors in the power struggle on the nonsocialist side, but continuing to govern is not enough.

The voters must be convinced that this is a government that produces results. Otherwise, why should they vote for it?

For this reason, the prime minister brought in some technocrats from outside to solve specific problems and he decimated the importance of knowing the art of politics.

He brought in a culture minister who will end the monopoly of the Danish Broadcasting Company.

He brought in an industry minister who must increase exports.

He brought in a labor minister who must keep wage increases as low as possible in the upcoming negotiations.

But some of the old guard must also demonstrate results.

The transport minister should reach an agreement with the Social Democrats concerning a bridge over the Great Belt.

The social affairs minister should reach an agreement with the Radicals on a partial pension plan.

The agriculture minister should implement modernized agricultural legislation.

Most of these political changes should be complete before the summer recess. If this occurs, it should overshadow the government's constant defeats in the area of security policy. These defeats will continue until and after the summer recess, unless the government manages to reach some form of unity in the interim Security Committee.

But that would require a miracle.

9336
CSO: 3613/106

ZEIT EXAMINES PROBLEMS, OPPORTUNITIES OF LABOR UNIONS

Hamburg DIE ZEIT in German 2 May 86 pp 17-19

[Article by Erika Martens: "In Search of Solidarity"]

[Text] Ernst Breit, chairman of the German Labor Union Federation (DGB), can present a proud picture on Labor Day: "The number of members keeps growing, shorter working hours were implemented, the counterattack against Bonn impositions has assumed impressive proportions, unity in the DGB has rarely been stronger--the German labor movement is in good shape."

At first glance the DGB chief seems to be right. Although it may sound strange, the dispute over the so-called strike paragraph 116, the conflict over the revision of the Employees' Representation Act, the battle against decreases in social security and the struggle for the 35-hour work week have given a new impetus to the labor unions. Of course, their opposition to the Federal Government and employers was not always successful by far. But the leadership's reawakened readiness to do battle mobilized organized labor to a much greater extent than even experienced functionaries had considered possible.

From this aspect, the labor organizations have every reason to be grateful to Helmut Kohl and his team. It was their policy of confrontation with the labor unions that brought the drowsy giant back to new life. The success is measurable: despite continuing high unemployment, and despite the embarrassing problems with the union-owned construction firm Neue Heimat, for the first time in 4 years the DGB reports an increase in membership for 1985 (see Table). According to figures as yet unpublished, the Metal Workers Union in particular enjoys increased membership, the union which, together with the Printing and Paper Workers Union, was in the forefront of the week-long battle over the 35 hour work week, and which is also in the center of the dispute over Paragraph 116.

But there are voices warning against too much euphoria. CDU politician Kurt Biedenkopf, one of the few CDU people knowledgeable about the labor union scene, believes that the new solidarity which fell into the labor unions' laps because of the policy of the Federal Government, "has already crumbled." And Guenter Doeding, chairman of the Food and Restaurant Workers Union, points out in a book on "New Tasks of the Labor Unions" that the members are not ready for permanent mobilization. Doeding's conclusion: "They expect conflict-solving results, a 'better' rather than a 'different' society."

But conflict-solving results are not on the horizon at present. It rather seems that the labor unions are simply the beneficiaries of the general upward trend of the economy and of the conservative policy of the Christian Democrats and the Liberals, which so far evidently has not damaged their organizations; on the contrary, it produced a higher standing among their own ranks and a new solidarity. Will they succeed in using this solidarity movement in the resistance against a contentious government and uncompromising employers?

Heinz Oskar Vetter, who headed the DGB for 13 years, once summarized his experience in one sentence: "Grandpa's union dies every 10 years." It will take several years to know whether the labor movement has really come back to new life through the strike for the 35 hour work week almost 2 years ago. The Metal Workers Union, at any rate, is convinced of it.

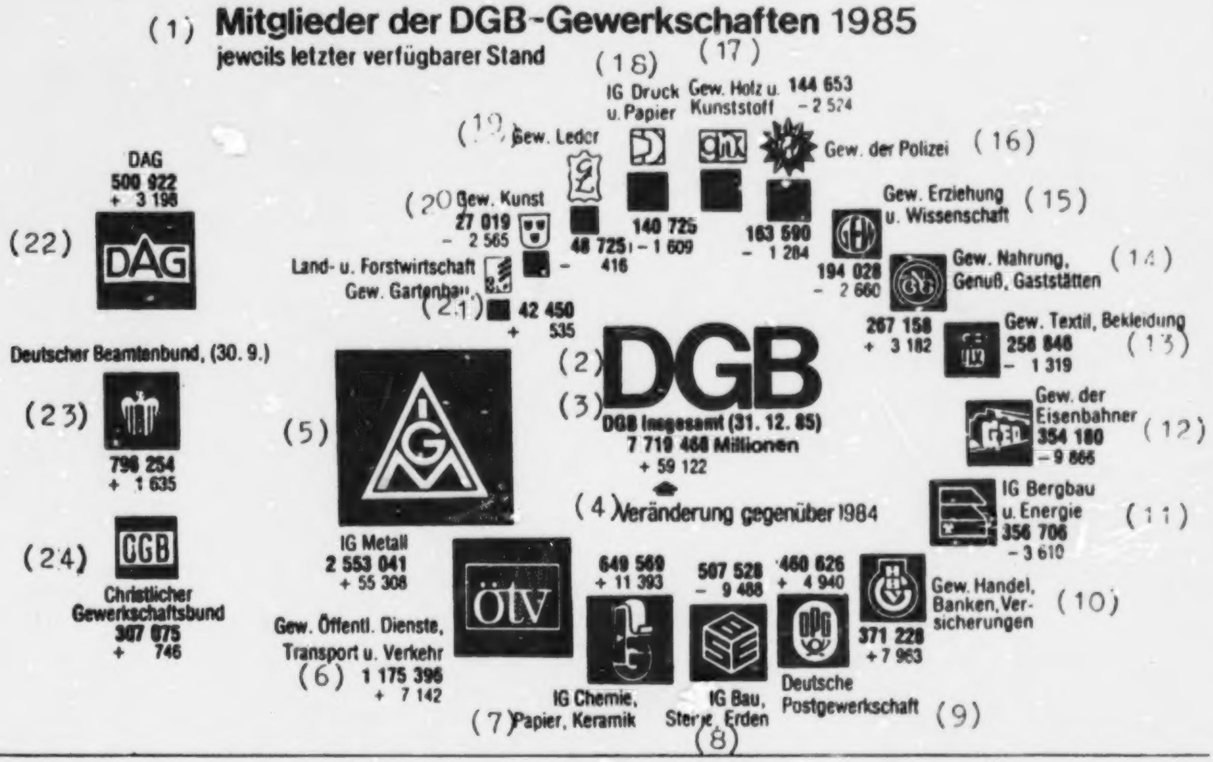
Outwardly, optimism is unbroken, but in inner circles, functionaries and social scientists at present discuss worriedly the future of their organizations. One of them says, "we still haven't found the answers to pending problems. And the conflict with the Federal Government leaves no room for other important subjects." Although there are a great number of them.

Young workers, women and white collar workers still keep their distance from labor unions; the consequences of new technologies must be dealt with; changes in the work place must be taken into account through other forms of wage policy. The proof of the unions' serious concern about the lack of young members came from Ilse Brusis, in charge of young union members on the DGB executive board, when in the fall of 1985 she went public with a sensational study by the Goettingen Sociological Research Institute. The study comes to the conclusion that the young generation predominantly considers labor unions as necessary, but has a decidedly skeptical attitude toward the "bureaucratic, anonymous apparatus" when it comes to their own commitment.

True, in recent times individual organizations have been able to register an increase in young members. The Metal Workers Union, for instance, which lost over 55,000 members under the age of 25 between 1981 and 1984, partially made up for the loss with an increase of almost 26,000 (6.1 percent compared to 1984) in 1985. The Chemical Workers Union proudly points to a 5.5 percent increase of young members. But the overall balance sheet remains negative so far.

Klaus Loehrlein, a member of the DGB, warns urgently of the consequences of this abstinence by the young. Should developments of the past 2 years continue, he writes in the 1985 Labor Union Yearbook, the German labor unions are threatened by a "withering of their tree of life from the roots up."

Table: Membership of DGB Labor Unions 1985



Key:

1. Membership of DGB Labor Unions 1985, latest available figures
2. German Labor Union Federation (DGB)
3. DGB total
4. Changes since 1984
5. Metal Workers Union
6. Public Service, Transport and Traffic Union
7. Chemical, Paper and Ceramics Union
8. Construction Workers Union
9. German Postal Union
10. Trade, Banking and Insurance Union
11. Miners Union
12. Railroad Workers Union
13. Textile Workers Union
14. Food, Restaurant Workers Union
15. Education and Science Union
16. Policemen's Union
17. Wood and Plastic Workers Union
18. Printing and Paper Labor Union
19. Leather Workers Union
20. Labor Union for the Arts
21. Agriculture, Forestry, Horticulture Union
22. German Employees Union
23. German Civil Service Union
24. Christian Labor Union

The labor unions also have problems with women, who have always played the role of wallflowers in the history of the German labor movement. Although they now constitute over 23 percent of the DGB membership, so far their colleagues deal only reluctantly with their specific interests.

But not only young people and women need greater attention by the labor unions if they do not wish to lose their claim of speaking for all dependent employees. The changes in the economy, which is developing ever more from the old industrial society to a service society, also lead to shifts in the employment structure.

Traditional sectors such as the steel industry and ship-building, once the driving forces of the economy, have shrunk to insignificance during the past decade. Since 1978, the number of workers in both sectors shrank by 18 percent each. The glorious times of the textile and construction industries are also a thing of the past. At the same time, the proportion of production workers in enterprises has also dropped, while coordinating, planning and administrative activities, usually carried out by white collar workers, have increased. Even today, traditional labor activities are less than 50 percent; in 20 years, their share of the work volume will have dropped to about one-third. The social basis which helped labor unions gain prominence in the past, i.e., skilled workers and qualified trainees in production, will become smaller in the future. Instead, there are new groups needing collective protection--the many employees who have not yet found a home in the old labor movement still anchored in 19th century thinking.

True, in 1985 about 1.7 million employees paid membership dues to one of the 17 sister organizations in the DGB, and another 500,000 were represented by the German Employees Union (DAG). But in view of the employment structures, these figures are meager. Today, the DAG has only 40,000 more members than at the beginning of the 60's. During the same period, the DGB organizations can report a modest success, a membership increase of not quite 1 million employees. Yet the composition of its membership still reflects the employment structure at the beginning of the 50's. At that time, employees constituted 23 percent of all wage earners, while it has now almost doubled with about 44 percent.

Siegfried Bleicher, responsible for employee policy on the DGB executive board, expressed self-criticism in the fall of last year, attributing the fault of this unfavorable state of affairs not only to the conservative attitude of white collar workers, but also to deficiencies in labor union work. The omissions of the past are to be remedied now with a broad-based advertising campaign. By 1990, Bleicher announced, the DGB hopes to represent 2 million white collar workers, that is 300,000 more than at present.

There are still those more privileged employees who, in research and development, in editorial offices and administrations, can make more independent decisions about their work and working conditions than an assembly line worker. But the greater number of office jobs, through introduction of performance control and increasing division of labor, are made more and more efficient and are managed from outside.

Meanwhile, almost all individual labor unions in the DGB are trying through their own strength to raise the potential neglected up to now. The Chemical Workers Union, in whose organizational area the ratio of white collar workers is traditionally higher than in other industrial sectors, at present is trying to push through a joint collective wage agreement for workers and employees in order to reduce the differences between wage earners which became an anachronism long ago, to reduce group egotism, and to be better able to follow through in the interests of all wage earners. The Chemical Workers Union even wants to approach mid-level management which, up to now, practically is not represented at all in the labor unions.

Economics Minister Martin Bangemann stated at the opening of the Cebit fair for office, information and communications technology in Hannover, that in the next 5 years about 13 million people, or almost half of all wage earners, will be touched in one way or another by microelectronics. Whether the technical revolution destroys jobs or creates them--that point is still being debated by scientists and politicians, employers and labor unions. But that it places different demands on wage earners and thus is changing the structure of the work force--on that, there is agreement.

Wolfgang Lechner of the DGB Economic and Social Sciences Institute, in an article for DIE ZEIT, described the consequences of this change and the resultant effects on the work of labor unions. Lechner is not alone in his analysis. Like him, many other scientists come to the conclusion that within enterprises, beyond the traditional division between workers and white collar employees, new groups are forming: a stable core of permanent workers with broad industry-specific qualifications is complemented by a marginal group of workers with narrower qualifications. Permanent workers have full-time working hours, are permanently employed, enjoy continued education measures within the company, and have the chance to get ahead. This group includes skilled labor as well as technicians and administrative specialists.

One group of the marginal staff, also employed full-time but with less training, assumes office and production activities, and sometimes control and test tasks. The second group of the marginal labor force, mostly part-time workers and employees with limited contracts, is called in for support if the order and sales situation requires it.

Individualism is Growing

The third group of co-workers is not actually a part of the enterprise. Most of them are employed by subcontractors or leasing firms, or are a part of the ever-growing number of self-employed who sell their talents to individual enterprises without being employed by them and without receiving the social security of staff membership in the firm.

These developments, which are only beginning in Europe, are already clearly discernible in the United States and Japan. In both countries they brought about the decline of labor union power, since only the core labor force and a part of the marginal staff fit so far into the organizational structure of labor unions. In addition, the number of small and medium-size enterprises is growing. But the labor unions have always had difficulties in recruiting members there. The staff is closer to the enterprise, and joining a labor organization takes courage and conviction because the protection of the collective is missing. In many of these enterprises today, the bodies representing interests do not even manage to get enough candidates for an employees' council.

But it is not only the changes in industry and work content which curtail labor union power. Collective representation of interests overall has become questionable for many. Parties and associations complain more and more about a lack of acceptance. Social scientists attribute this to the growing tendencies toward individualism. More leisure time in past decades brought with it a growing need for self-determination.

But so far, the labor unions hardly take into account the demands for individual working hours and greater self-determination which accompany the technical revolution. Social Democrat Peter Glotz asks, for example, why working hours absolutely have to be between Monday and Friday? Glotz imagines easily that larger groups will form who "voluntarily will work over the weekend and have half the work week off instead; who will work 60 hours per week for half a year, and have the other half off; who want part-time work, because a higher quality of life is more important to them even at half-pay."

The Social Democrat is of the opinion that it would be wrong to disparage such wishes for flexibility and to push individualists "into animosity against labor unions." The "tendency to individualize work, work time, and the wage earner in his job and his enterprise," reasons Glotz, on the contrary must be "balanced by a corresponding individualization of the labor union and political interest offers within the strong embrace of the organization."

Kurt Biedenkopf also admonishes the labor unions "to recognize the trend toward individualization among wage earners." The chairman of the North Rhine-Westphalian CDU predicts that employees' organizations "will become obsolete" if they do not manage to take this step. But this is definitely not in the interest of society, its politicians and entrepreneurs. The decline of large organizations could be utilized by radical groups in order to take them over and create British conditions with permanent strikes in the up to now relatively peaceful social scene in the FRG. Biedenkopf concludes that the labor unions must "create conditions which provide the work force with protection and security without hamstringing them to the point where they can no longer think independently."

Lacking Social Contacts

The many demands made on them requires great expert knowledge of labor union officials and a great potential of unpaid functionaries. Munich social scientist Burkhart Lanz thinks that such unpaid functionaries, who must be present in the enterprise and on the job, "are the ideal mediation agency between the more or less professionalized party and labor union central offices on the one side" and "the mass of labor union members, at best only sporadically active," on the other side. Furthermore, unpaid functionaries are the reservoir from which full-time functionaries are recruited.

The social "native soil", in which the labor unions were rooted once upon a time, no longer exists. Although until the middle of this century industrial labor had often been physically more strenuous, and working hours had been longer, plant processes largely had not been as efficient and "nonporous" as they are today. There had been more room for social contacts. Those contacts in the factory were frequently continued during leisure time, since workers' apartments generally used to be concentrated in certain suburbs or housing settlements. There, "dense networks of mutual help" grew up, "whose functioning was almost indispensable if the average worker's household was to get by economically."

The leadership function within and outside the factory was usually assumed by the skilled worker. His honorary functions gave him the chance to rise above his own social background, a chance which he would hardly have had otherwise. Nowadays, qualified skilled workers have many other opportunities to rise to more exacting jobs through continued training. For this reason, it is becoming ever more difficult for the labor unions to find colleagues who maintain contacts between the organizational leadership and the factory grassroots, transmit the wishes of the workers, organize labor union activities in the enterprises, and thus provide new members. But the very changes of working conditions due to the new technology require an army of available representatives in the enterprise.

Despite all of these problems, the German labor unions do not want to prevent technical change. They have never wanted it, ever since in the early 1950's they made a temporary peace with the social market economy; a peace which still exists. "I believe," says Hermann Rappe, chairman of the Chemical Workers Union, "that the strength of the national economy depends on further technological development. And I see no possibility to resign from the international competition of this technological development. We must not even attempt it."

Rappe and his labor union belong to the more moderate wing within the labor union spectrum, but in principle even the more combative organizations such as the Metal Workers Union and the Printing and Paper Workers Union agree with this creed. The motto of the 17 organizations united in the German Labor Union Federation reads, "make technology social." To overcome these problems, they have developed programs and papers, principles and action directives, as they have for many of the other unsolved issues. But implementation is still in "infant's shoes," as social scientist Klaus Schoenhoven summarizes.

It is said that those who are pronounced dead live longer. Theo Pirker, labor union man and critical observer of his colleagues, predicted the "end of the labor movement" as early as the 1960's. FDP politician Ralf Dahrendorf enlivened the debate almost 2 years ago in an article for DIE ZEIT with the hypothesis that labor unions had no future because they no longer "represent those societal groups or economic forces which embody the future." And even leftist philosopher Andre Gorz believes that "the labor unions are losing their grip on the working force."

German labor unions still have a chance to prove wrong the prophets of their demise. At the least, they are evidently aware of the danger. And the sad examples of labor unions in other countries could speed up the process of rethinking.

9917
CSO: 3620/688

PEACE MOVEMENT CHAIRMAN RUOKOLA: 'GERMANY' REMAINS THREAT

USSR Pact Still Relevant

Helsinki UUSI SUOMI in Finnish 6 Apr 86 p 8

[Text] Oulu (US)—"The most dangerous runners of the arms buildup are deeply entrenched in German politics and German soil in spite of the fact that the German peace movement and many important West German politicians as well are even now sincerely working as active champions of detente," said Finnish Peace Defenders chairman Matti Ruokola in his opening address at the Peace Defenders congress on Saturday in Oulu.

Citing a section written into the Friendship, Cooperation and Mutual Assistance Pact on a threat to world peace emanating from Germany, Ruokola felt that the agreement concluded in the 1940's is still of current importance in all respects. He regards the threat posed by Germany to be of importance today because the Federal Republic of Germany is an established part of NATO.

Vayrynen Did Not Comment

Foreign Minister Paavo Vayrynen did not wish to comment on Ruokola's claims that the Federal Republic of Germany is a threat to European security.

"I don't know what Ruokola said and, even if I did know, I wouldn't comment on it," Vayrynen stated curtly.

The chairman of the Parliamentary Foreign Affairs Committee, party secretary Erkki Liikanen, was not exactly close-mouthed, but he did not want to comment on Ruokola's views on Germany.

"Our position on the United States' star wars plan has been a negative one and joining the other NATO member nations is a serious matter. Ruokola obviously made his speech as the chairman of a civic organization; so I would not like to have any more than this to say about his opinions regarding Germany," Liikanen said.

Paasikivi Society chairman Jaakko Iloniemi was cautious too.

"I'd like to see Ruckola's entire speech. Voicing an opinion on statements is reckless since things may have been removed from their original context. Under the circumstances, I didn't comment," Iloniemi said.

Kekkonen Line Forgotten

Helsinki UUSI SUOMI in Finnish 7 Apr 86 p 10

[Commentary by Martti Haikio]

[Text] "I don't know what Ruokola said and, even if I did know, I wouldn't comment on it," Foreign Minister Paavo Vayrynen said of the views of general manager Matti Ruokola, the chairman of the Finnish Peace Defenders. No one else appears to be willing to comment on Ruokola's thoughts either.

Is there something wrong with Ruokola or with the views he has expressed, since they do not seem to have given rise to discussion? Probably with both.

Ruokola's pattern of thinking follows a specific line of reasoning: In the Finnish-Soviet Friendship, Cooperation and Mutual Assistance Pact there is mention of a threat coming from the direction of Germany or nations allied with it. Since Germany continues to be a member of NATO, when Germany arms itself, that constitutes a threat; therefore,...

Ruokola, of course, leaves the rest unsaid. According to his line of thinking, we should proceed as we did in 1961: That is, the Soviet Union should send Finland a diplomatic note and invoke the Friendship, Cooperation and Mutual Assistance Pact. Ruokola is presenting the Soviet interpretation of the situations in Central Europe and the world.

Matti Ruokola and the Peace Defenders do not follow the Kekkonen line in their political views. As we well remember, Kekkonen rejected a proposal for consultations in the Friendship, Cooperation and Mutual Assistance Pact. He pursued a neutrality policy line for Finland, one based on Finland's own interests and which also took into consideration the concern expressed by the Soviet Union.

Ruokola Defends Comments

Helsinki UUSI SUOMI in Finnish 8 Apr 86 p 7

[Article by Timo Lipponen: "Matti Ruokola on the Hazards of Foreign Policy: 'We Have the Right to Raise Our Finger in Warning'"]

[Text] "We have the right to raise our finger in warning against Finland's foreign policy."

This is how Peace Defenders Ltd chairman Matti Ruokola justified to UUSI SUOMI the vehement speeches made by his organization at the end of last week and its positions on the threat posed by Germany and Finland's attachment to the West, among other things.

On Monday general manager Matti Ruokola, the chairman of the Finnish Peace Defenders, was in his own words surprised at the critical reception the Oulu congress received in the press.

"We have always been labeled. It has been claimed that our organization is an arena for the Communists. This is, however, not true," Ruokola said.

He assured us that the organization supports Finland's foreign policy in its entirety.

No Stance on Afghanistan

Then can the Peace Defenders take a neutral stand on the actions of both the East and the West?

"That depends on how purely cultivated a neutrality you mean....

"We cannot, of course, be neutral on questions of war and peace," Ruokola replied.

He admitted, for example, that they have not adopted positions on issues like Afghanistan, although peoples' right of self-determination is indeed an important issue.

The German Threat and the Eureka Solution

The United States' SDI (strategic defense initiative), or the so-called star wars plan, is, in Ruokola's opinion, a threat to Finland, especially because of West Germany's favorable reaction to it.

Ruokola denies that he was hoping for military negotiations with the Soviet Union when he warned that the vision of a German threat mentioned in the Friendship, Cooperation and Mutual Assistance Pact is still relevant.

"Of course, we are realists, which is why we lay emphasis on the national agreements we have concluded. In connection with this, the Friendship, Cooperation and Mutual Assistance Pact arises as an especially important factor."

Finland's departure for technological cooperation with the West in the Eureka venture also worries Ruokola. This is why he wants "our foreign policy leaders to maintain a higher profile" and why he raises his finger in warning lest this might only be dragging Finland along [with the West] against the socialist countries.

Relations with the Soviet Union Have Divided the Organizations

The Finnish Peace Defenders Ltd's policy does not appeal to the Finnish Peace League, which recently made a final formal break with its cover organization. the Finnish One Hundred Committee, which belongs to the Peace League, also advocated this decision.

It appears that relations with the Soviet Union have finally driven the Finnish peace movement into a split.

"A member of the World Peace Council, the Peace Defenders never criticizes the Soviet Union," Peace League chairman Goran von Bonsdorff portrayed the ideological differences of the organizations.

Bonsdorff did not, however, exclude cooperation with the outside world. He noted that the International Peace Agency, which operates in Geneva, will in future serve as the Peace League's cover organization. This Western peace movement feels that they should also be able to criticize the occupation of Afghanistan.

"Pulling the Rug Out from Under Misconceptions"

Activist Erkki Tuomioja of the One Hundred Committee, which is connected with the Peace League, hails the separation from the Peace Defenders with satisfaction: In future, for example, it will no longer be uncertain as to who represents whom. The umbilical cord to the World Peace Council, which rouses suspicions in the West, has now been cut.

"The World Peace Council is indeed an instrument of Soviet foreign policy," Tuomioja noted.

And how does Tuomioja's position differ from Ruokola's with respect to "star wars"?

"We are of the same opinion on the threat posed by the SDI, but without needing to involve the Friendship, Cooperation and Mutual Assistance Pact in the matter."

Conservative Paper: Remarks Unfounded

Helsinki UUSI SUOMI in Finnish 11 Apr 86 p 2

[Editorial: "SDI and Friendship, Cooperation and Mutual Assistance Pact"]

[Text] The United States' strategic defense initiative (SDI) is a dangerous new additional step toward the militarization of space. The Federal Republic of Germany's participation in the venture as a NATO country will not check its advance, on the contrary.

Connecting the SDI with "the portrayal of a threat in the Friendship, Cooperation and Mutual Assistance Pact" as Finnish Peace Defenders chairman Matti Ruokola did at the end of last week in Oulu is, however unfounded. Not even in their own official statement have the Peace Defenders suggested this connection, nor Soviet Ambassador Vladimir Sobolev at the press conference he held in Helsinki.

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ECONOMIC REASONS SEEN DICTATING GREEK-TURKISH RELATIONS

Athens I KATHIMERINI in Greek 11-12 May 86 p 16

/Article by R.S./

/Text/ Paris--If Reagan and Gorbachev can meet with the hope of attaining some sort of detente, why do not Greece and Turkey begin a dialogue to settle their differences and to decrease their ruinous defense expenditures?

This question was recently raised by Prof Angelos Angelopoulos in an article in the French journal REVUE DES DEUX MONDES. He noted that present defense expenditures of the two countries explain the 20 percent inflation rate in Greece and the 40 percent rate in Turkey, the rise in unemployment, the constant increase in the balance of payments deficit and a foreign debt that represents 40 percent of national revenues.

Such an agreement, Mr Angelopoulos adds, presupposes, of course, the recognition of the irrevocability of frontiers with international guarantees --primarily a guarantee by the United States. An improvement in relations would result in the "freezing" of defense expenditures and their gradual reduction, a drop in the anti-American movement (that would permit the retention of the bases), progress in settling the Cyprus problem and the joint confrontation of the debt settlement.

Turkey and Greece, the former National Bank director agrees, must pay off three-quarters of their debt in the next 5 years, i.e. 15 billion dollars by each country, something that would destabilize their economies. The solution: a 5-year postponement --with the servicing of the debt interest, however, after an agreement on the international level and with the assistance of the United States.

All of this, however, presupposes detente and understanding that could begin with a careful study of Mr Angelopoulos' proposals.

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POLITICAL GREECE

CONFLICTING OPINIONS ON PAPANDREOU'S PRC VISIT

Results Seen Insignificant

Athens EMBISTEVTIKO GRAMMA in Greek 9 Apr 86 p 3

[Text] The results of Premier Papandreou's visit to China, which reliable diplomatic observers characterize as a "visit of expediency" for "internal consumption," are expected to be poor from an economic and political point of view.

The same observers feel that in the economic sector improvement of Greek-Chinese economic relations will be marginal since the relevant framework has already been in existence since Karamanlis' visit there in November 1979 without achieving the anticipated results. It should be noted that our exports to the People's Republic of China (mainly in steel rods for industrial use, asbestos, fertilizers, leather and furs) reached just about 38 million dollars and our imports about 20 million dollars.

According to the same circles, the opinion of the Greek politicians and businessmen on the possibility of exports and investments in China is not new and is based on the impression that China continues to be a backward country. Diplomatic observers point out that China may continue to have a low standard of living but, as changes in its domestic economic life show, it is well aware of imports and investments it needs.

These observers say that China's opening to the West may have been achieved at an impressive rate but also on the basis of prudent planning which provides on the one hand imports of know how, fertilizers, etc., for the agricultural sector and on the other hand, the provision of large capital, compulsory state participation, imports of high technology and reciprocal duties (investments) in the industrial sector.

In the economic sector, Papandreou's much-advertised visit is not about to create new exports of agricultural products to China (which is already self-sufficient except in tobacco) and will not easily lead to development of joint ventures.

But, in the political field also, no impressive results are expected. China, which maintains excellent relations with Turkey (President Evren has repeatedly visited Peking and Li Xiannian has visited Ankara), for years has supported Turkish positions on the Aegean issue (continental shelf) as well as those on the Cyprus issue even though it voted for the Republic of Cyprus for the first time last year.

China is also against the Greek government's views on the "pro-peace" policy of the USSR and does not think Greece can presently play a strong role in the EEC area in which it is interested and for which it has developed close relations with Italy, England, France and West Germany.

In any event, according to the government, the opening to China was necessary for the exact purpose of "freezing" somewhat good Chinese-Turkish relations and for improving PRC-Greek relations.

Therefore, from a diplomatic point of view, the contact was useful. What is questioned is why the premier should be accompanied by 140 persons.

Effect Seen Positive

Athens I KATHIMERINI in Greek 13-14 Apr 86 pp 1, 14

[Article by Nik. Nikolaou: "Deng: NATO and EEC Guarantees for Greece"]

[Text] Independent observers say it would be childish to consider a trip to Peking--not unusual in the past--as an initiative on the part of the premier with an aim at impressing the public. Not only is such not the case, but a more careful analysis will convince us that Papandreou's opening to China helped to consolidate the delicate handling and gradual readjustments being attempted recently in the government's economic crisis, the depth of which diminishes PASOK's power.

The abominable assassination of Dim. Angelopoulos by the so-called protectors of the people's interests not only is not about to impede progress in these re-adjustments, but on the contrary, probably could hasten them since the government now needs more than ever to demonstrate a robust authority.

This readjustment in foreign policy will take place as fast as the premier better understands the principle Karamanlis applied, according to which a small country like Greece, which finds itself in a critical geopolitical crossroads, must have excellent relations with all superpowers, keeping at the same time its distance from the sharp issues of their competition.

A second principle is that these good relations do not contradict nor are they in conflict with the induction of our country in broader politico-defensive and economic bodies such as NATO and EEC.

The precious experiences from the Peking visit should convince the premier of the value of these principles and of the opportunity he now has to enforce a really independent and multi-dimensional policy, thus enjoying the esteem and friendship of all superpowers without at the same time endangering for a moment allied ties which safeguard the country's independence and territorial integrity.

Foreign Policy Axes

Indeed, these possibilities do exist given that Greece can offer to each one of the superpowers "precious gifts!" For instance, Papandreou today:

--Can give the Americans what is precious to them--the renewal of the bases' agreement, enuring at the same time the well-meant defensive and economic interests of our country.

--Can tell the Soviets of his decisive contribution to the international initiative of the six states for peace and disarmament. It is about a gesture which is appreciated particularly by Moscow whose problem naturally is not the American bases in Greece but the arms race with the U.S., a race which overwhelmed its economy and makes its people poorer every day.

--Can support the Chinese in their policy against hegemonism by the U.S. and the USSR.

Papandreou's goal seems to be the development of a foreign policy on these three axes and it is certain that, if his future course is responsible and his actions and words are measured and serious, he will, indeed, be able to persuasively claim that he practices a multi-dimensional foreign policy, the implementation of which will lead the country in the correct direction Karamanlis had charted.

Independent observers, assuming that the readjustments in foreign policy will take place normally and there will not be retrogressions dictated by PASOK's narrow party interests, point out that the trip to China was a very successful mission which well served national interests while it opened up hopeful prospects for the economy. These independent observers point out that the positive points of the trip can be pinpointed to the following sectors:

1. It was very useful to meet the new Chinese leadership which heard first hand (in the 1979 visit by Karamanlis contact was made with a leadership which today is ousted from the party) Greek positions on the critical problems of our country (the Aegean, Greek-Turkish differences, Cyprus issue). Of course, China is not yet a superpower by American and Soviet standards but its vast area and large population are dominant in the world and its influence in international issues is increasingly growing.

And the premier's assessment that China will soon be the main axis of international life is perhaps not wrong. Therefore, it was necessary to develop relations with China through high-level contacts. Moreover, this trip was indispensable in order to counterbalance the visit Turkish Premier Ozal made to Peking in July 1985.

Peking's Positions

Of course, the Chinese leadership did not support the Greek positions and an official statement was not heard from Peking about the Cyprus and the Aegean issues. But the same was the case with Ozal. Anyway, this does not mean that the Greek-China contact was not useful or profitable. First, it is not possible to demand or to expect that everyone should share our position and second, neutrality is already a plus compared to animosity. Besides, we must not forget that China especially appreciates the fact that Turkey shares a long border with Russia.

2. Papandreou's contacts with the Chinese leadership must have convinced him once more that he did very well when he abandoned in time the slogan, "NATO and EEC are the same syndicate."

Just as many years ago, Mao had surprised the Italian Foreign Minister and Socialist Party Chairman Petro Nenni when he recommended to him: "For God's sake do not get out of NATO because the Soviet bear will swallow you right away." Now again the great leader and soul of the New China, Deng Xiaoping left Papandreou flabbergasted with his persistence and arguments favoring Greece's staying in NATO for its own security and for protecting the independence of Albania and Yugoslavia.

In principle, of course, China favors peaceful coexistence and is against bipolism and military alliances. In practice, however, it formulates its foreign policy with relaism which should impress Papandreou. The Chinese understand that the Soviet threat, which for them is apparent and real, cannot be neutralized with pacifist songs and platonic declarations. Thus, the Chinese are against any action which weakens NATO.

On the other hand, the Chinese believe the main obstacle to the hegemonistic plans of the two superpowers is the political and economic integration of Europe. Therefore, they fully support the EEC and certainly Papandreou is thought highly of in Peking since Greece is an EEC member.

3. The trip to Peking helped Papandreou to distance himself from the Soviet Union and to improve his image in the West and the Third World. It is not accidental that, one day before arriving in Peking and while he was in Bangkok, Thailand, he denounced Vietnam's invasion of Cambodia. Nor is the fact without significance that the Chinese enthusiastically welcomed his denouncement of hegemonism by the two superpowers and his position on having the Soviet troops removed from Afghanistan.

4. In Peking Papandreou gained a precious experience. He found out what a free economy and private initiative can do in a few years. Indeed, as he himself has ascertained and as he found out from the data presented to him, the Chinese economy has marked a spectacular rise since 1979 when China's leadership opened its doors to the world. Since then and especially since 1982, there was an amazing growth which is reflected in the improvement of the standard of living and in the phenomenal production increase. In the past 5 years the national income increased at an annual rate of 10 percent and the so-called "consumer level of the people" increased at a rate of 7 percent annually.

These are the results of the "open door" policy the Chinese leadership under Deng Xiaoping implemented. This policy drastically limits the suffocating state noose, believes in individual property ownership in agriculture, handicrafts and services; in attracting foreign investments; and in the decentralization and decision-reaching process through the development of initiatives of the economic units and of the provinces. Deng's slogan, "become richer," now frees gigantic forces in the economy.

The Old Wise Man

Andreas Papandreou was greatly impressed by his talks with the 83-year old Chinese leader. Talking to Greek journalists he characterized him as "wise". What impressed him most? Deng's simplicity and depth of thought, coupled with the absence of any dogmatism. "We are not interested," he told Papandreou, "if the cat is black or white. What matters is that it catches the mice." Economic development without dogmatism! This is the message Deng imparted to the Greek premier and time will show how deeply he was understood by Papandreou who admitted to one of his collaborators: "How good it would be for Deng to come and speak this way to the members of PASOK's Central Committee."

5. Papandreou returned from Peking without any commercial agreement, nor did any of the 30 entrepreneurs who accompanied him bring back any signed contracts. Yet, from an economic point of view, the trip was successful. China is a developing country where our presence is necessary first, in order to maintain what we achieved to now (our exports from 19 million dollars in 1980 reached 65 million dollars in 1985) and, second, to set foundations for permanent stable development.

The Chinese appreciated the fact that Papandreou took entrepreneurs with him because they know it is these businessmen who will use to best advantage the political opening. On their part, the Greek industrialists had useful contacts with the Chinese and submitted proposals which, it is hoped, will be accepted. They are particularly satisfied that the Greek government has recognized their role by deeds.

In the success of these contacts credit should also be given to the right preparation by Foreign Trade Minister G. Katsifaras who came to Peking with a comprehensive plan which provided not simply an increase in our exports but a complete economic cooperation package with China so the latter will be able to buy Greek products.

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PAPANDREOU'S ERROR IN RECOGNIZING SIDRA GULF'S TERRITORIALITY

Athens I KATHIMERINI in Greek 11 Apr 86 p 5

[Editorial: "Diplomatic Populism"]

[Excerpts] Up until now, Papandreou was confusing foreign policy with internal government propaganda. In other words, the main criterion of PASOK's diplomatic choices was the impact they could have on the internal political scene. Anti-Americanism and pro-Arabism are the two sectors where this policy literally reached its peak. It is a policy whose incredible conflicts will some day be a vital chapter in the great novel about PASOK irresponsibility and inconsistency.

It now appears that Papandreou takes yet another step less amusing than his past lionisms, but more dangerous than previous fallacies. As I KATHIMERINI reported yesterday, responding to questions by reporters on the recent clash between the U.S. and Libya, Papandreou branded the presence of the American fleet in the Sidra Bay as "a disaster of the international order" and as "a catastrophe of the concept of national sovereignty."

In other words, he recognizes the whole Sidra Bay as Libya's territorial watters, as its national area, and considers the presence there of foreign ships as intervention in the internal affairs of Qadhdhafi's country. Qadhdhafi, too, has the same opinion about the territorial waters of his country and about the ownership and...personal use of the gulf. And this view is his main argument when he forbade American ships to enter the gulf's waters.

In times past, this Papandreou statement too could be added to the confusion we referred to earlier between foreign policy and internal goals. It is a confusion which has been the backbone of his declarations on foreign policy during the 7-year period his party was the major opposition in the parliament and the basic trait of foreign policy he exercised when the people brought him to power.

Today, however, things are different and in many aspects, dangerous. It is impossible that Papandreou does not know how dangerous they are and how much certain things are sensitive! It is not possible he does not know what could happen if each government had the right to define, according to its own judgment, its territorial waters! Does he not by any chance perceive that such a thing could transform the seas into jungles? Does he not conceive what this would mean for coastal countries? Of course, he could not have forgotten that our country is a coastal one...with many and various problems, moreover.

Of course, no one has the right to doubt the premier's patriotism or to attribute to him a decreased interest in these problems or ignorance of their particularly sensitive aspects. But it seems that he cannot subdue his sentimental changes. (It is known that one can become a premier but he cannot change his character in the slightest.)

But it is about time for Papandreou, not to change his character--a thing impossible--but to face events with less sentimentality and with more responsibility. Let us limit the changes and inconsistencies to our internal affairs and ourselves. Let him stop confusing the external (affairs) with the internal ones.

Of course, the ideal thing would be to face our external affairs and to follow our foreign policy on the basis of a key direction which should not change when governments change and which should be absolutely divorced from our internal affairs. Unfortunately, in our country, where nothing remains outside the partisan arena, our foreign policy changes--in many respects at least-- not with the change in governments but occasionally with changes of cabinet members, if not of deputy ministers.

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POLITICAL GREECE

POLITICAL-ECONOMIC REASONS FOR ANGELOPOULOS' ASSASSINATION

Athens EMBISTEVTIKO GRAMMA in Greek 16 Apr 86 p 2

[Text] Dimitrios Angelopoulos' assassination by the "17th November" terrorist organization was not a chance case and responds both to an iron and totalitarian logic and to the fact that it contains very clear warnings and targets:

First, the press had taken care to destroy Dim. Angelopoulos' character and "Khalyvourgiki" in such a manner that his physical assassination almost appeared to be logical in the public's opinion.

Second, the advanced age of the assassinated industrialist adversely influenced public opinion to the point that it subconsciously thought: "No big deal; he was old; he had lived his life."

Third, with the assassination of Dim. Angelopoulos, who was known in foreign economic circles, the "17th of November" practically destroys any probability of cooperation between the government and foreign investors. This occurred exactly 1 month prior to the holding of an important investment symposium in Athens from which the government expected to derive great advantages.

Fourth, the assassination indirectly affects the relations between the government and industry and gives the pro-PASOK press the opportunity to abandon itself to a new anti-industry hysteria. This at a time when even New Democracy is clearly attacking industry, unwittingly perhaps.

Therefore, everything indicates that the Dimitri Angelopoulos assassination is a coverup for a diabolical plan to undermine the production process in order to eliminate any hope of recovery, to heighten social conflict and to bring about the kind of conditions that would destroy democracy. Contrary to what ND believes, the individuals who pull the strings of the "17th of November" have had a full dose of Marxism-Leninism. They apply it in the most cold-blooded and Machiavellian manner. Finally, we point out, for those whose heads are still in the clouds, that the destabilization of Greek society is being attempted at a moment when Greece is normalizing its position in the West. Who then are those who have every interest in hampering this normalization and preventing it from materializing?

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NEW ORIENTATIONS OF FOREIGN POLICY

Athens EMBISTEVTIKO GRAMMA in Greek 9 Apr 86 p 4

[Text] The many recent events concerning international terrorism and the overall development in Soviet-American relations have persuaded Premier Papandreou that Greece has every reason and it is to its benefit to remain in the Atlantic Alliance and consolidate its position in the Western economic network. Yet, the premier, being a captive of his older slogans and declarations, is trying to find a way so that the revision of the government's foreign relations will be realized at the lowest possible domestic cost and with fewer losses in the sector of correlation of forces.

According to our reports, Andreas Papandreou will continue, within the NATO framework, his peace initiative and anti-nuclear declarations, not because he believes in them but because he is convinced that in this way he promotes the Alliance's orientation toward conventional weapons. Those acquainted with internal NATO procedures and developments know that, a few years ago, there was a broad discussion initiated within the Alliance on re-examination of the importance of strategic benefits as in the case of Greece.

Thus, the possibility is being studied of strengthening the Greek islands with sophisticated but conventional weapon systems so that, together with the areas of Thraki and the Straits, they will become a second line of defense in the Aegean.

According to recommendations made to Papandreou he could provide Greece with the chance of improving its position in NATO, an improvement he could later excessively exploit as an achievement. Thus, it is evident that Greece will change the goals of its foreign policy and will definitely abandon certain neutrality plans which were submitted to Papandreou.

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PASOK'S REPORTED AMERICANOPHILE DISGUISE FOR ANTI-AMERICANISM

Athens POLITIKA THEMATA in Greek 4-10 Apr 86 p 25

[Article by Mikh. Melas: "The Prescription of the Americanophile Anti-Americanism"]

[Text] It is no more necessary to live in order to see it. We have lived and saw it. The place of the "close friend of the U.S." which in the past was held by the so-called Right (the Right together with the Center, that is) is now held by PASOK, the party of socialist Papandreou.

This is admitted even by PASOK followers who have every reason--at least until the municipal elections--not to have things come out clearly in the open but to let them appear as they are presumably to give the impression that nothing has yet been decided about the bases. After that, God is great...! Let the Greeks know the truth retroactively--as they did about "the step-by-step progress" last fall following the Schultz-Papoulias meeting.

There is not a trace of doubt that the sole problem for the juggler/diplomat of the third road philoamericanism is not how to accept or achieve the most absolute rapprochment with the U.S. but how to present it to his people in a way that will minimize their reactions and will present the renewed Greek-American friendship as a means for the unswayed completion of the socialist government reshuffling. Yet so skillful is the premier in presenting the positive as negative and the refusal as acceptance that we can rest unconcerned that he will somehow contrive something so that no follower of his will have any doubt that, for Greece, America is simultaneously the most hated enemy and the most insignficant and likeable enemy. And let everyone take his choice. Until then, let us pray for God's help.

For us it remains to confirm if our American friends--who on leaving Greece, promised attractive investments and refreshing cooperation in the economic and commercial sectors from this summer on--will be the first to keep their word. Or could it be that, depending on our behavior and after a grace period they expect us to prove our sincerity and good faith toward them beyond long handshakes, the premier's smiles and the charms of actress Melina?

One finds it difficult to join--because of realistic reasons perhaps--the overoptimistic applauders of the premier's political acumen who like to believe that when the time comes for the U.S. to ask for a renegotiation of the bases... then our counterclaim will be a strong and effective pressure by it on Turkey regarding the Cyprus and Aegean issues. Otherwise, the rift with the Americans will ostensibly be unavoidable...

I think the problem is dealt with differently from the viewpoint of time. The question which has not been answered is: which will come first, the chicken or the egg? Will our consent depend on the pressure the U.S. will exert on Turkey? Or will that U.S. pressure depend on our commitment on the bases? Because it will be too late if we wait until then.

As concerns PASOK's insinuation that, thanks to the government handling, Greece can now base its approval of Turkey's induction in the EEC on the initiation of negotiations on the Aegean and Cyprus issues, there is danger that if the insinuation persists even the most self-controlled person may explode! Because all the unacceptable accusations about a "sell out" Papandreou has uttered against Averof and Mitsotakis in opposing the principle of negotiations concerning the Aegean and Cyprus are well known. Even though ND supported the usefulness of such an approach, it always defended the view that Greece is not under pressure timewise and can comfortably wait.

When Karamanlis, with all omens against us, was negotiating our entry into the EEC, the political advantages were a top priority in his mind. He took into account both our European entity and our influence in the event Turkey asked for admittance. He also considered the possibility of Greece being the decisive factor in any decision of the 10 members concerning Turkey. It is for this reason, moreover, that Turkey strongly opposed (behind the scenes) Greece's induction. It was mainly afraid of Karamanlis' prestige in the European area and of the danger of its being left out of the EEC.

Therefore, it is nearly an absurdity to present now as a presumably successful PASOK maneuver that herpahs the Turks will now feel compelled to sit at a negotiating table after all PASOK exorcisms and damnations against ND.

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POLITICAL GREECE

IMPORTANT CHANGES FORESEEN WITHIN PASOK, ND

Athens KYRIAKATIKI ELEVTHEROTYPIA in Greek 13 Apr 86 p 48

/Article by Panos Loukakos/

/Text/ A new political scenario is imperceptibly but surely being hatched. Both PASOK and ND are on the threshold of major political choices that will set their stamp for years to come. Interal workings that at this time are in a process of development in all political areas are not yet apparent. It is, however, clear that all are being led to make changes in direction, changes that from this summer will begin to shape the new political framework.

PASOK, first of all. The months of Greek-American deliberations that began last fall and were brought to an end by Shultz' visit to Athens have led to a clear feeling that as a government it no longer places into doubt the international orientation of the country. By following this policy the government believes that it is limiting the Turkish threat and at the same time provides for the means to confront the economic situation. And obviously, of course, this has to do with a policy that is made up of a fundamental choice with long-term effects.

With regard to economic policy, PASOK has chosen a new tactic in the past few months. The economic austerity measures that have been taken do not differ much from those taken in the past by ND because in the last analysis the way out of the crisis chosen by the government constitutes the classic prescription followed in the past by other western countries during lean times. This, together with an evident recent "opening" to private initiative, shows that the economic policy of PASOK's second 4-year term of office will differ markedly from the first.

Thus, on the basis of these facts, PASOK is now moving along to the October elections, i.e. the municipal elections, that is something more than certain that they will constitute a form of plebescite for or against the government in at least three big municipalities.

Having already shoved the communist Left to its lowest electoral strength and without the latter having shown signs that it can get out of its political impasse into which PASOK had thrust it, it is clear that the government's main effort will be to prevent a shift of its voters and to attract those voters of the Right who are now dissatisfied with Mr Mitsotakis' policies. And it is here that it seems that the game will be played in the coming months. It does not appear possible that the fence-sitter voters positioned between PASOK and the KKE, as they have done in all elections up to now, will abandon the party having the present majority. On the other hand, the battle on the fringes between PASOK and ND will be a major one. And here, of course, PASOK's biggest ally is Mr Mitsotakis who firmly turns aside the entry of "wavering" voters to his party.

The logic of things, therefore, shows that in the coming months Mr Andreas Papandreou's main effort will be to safeguard, with actions, his rear from the Right and at the same time holding the communist Left on its political margin, with verbal openings toward the leftist "wavering" voters.

If this reasoning prevails the situation for ND is shaped accordingly. At this time the major government opposition party has its rear covered by the Right since there is nothing on the horizon to show any threat of any noteworthy extreme rightist party being formed. Consequently, for ND the entire battle is being waged in the political arena lying midway between it and PASOK.

However, Mr Mitsotakis constitutes the dissuasive person for this arena. And it is exactly this that constitutes the opposition's party's political impasse. Thus, Mr Mitsotakis has made his well-known unfortunate "openings" towards the communist Left trying to look for support not in ND's natural grounds but exactly there where from the nature of things it is ruled out that he would find political support. All of this, of course, does not constitute anything other than moves of desperation and panic.

Thus, ND is being led toward a change in leadership either before or after the municipal elections because its course toward a return to power is none other than the middle course between those "wavering" between the two major parties.

Already the first indications reaching Rigillis Street and that Mr Mitsotakis is systematically hiding from his party's officials is that the municipal election results are not scheduled to constitute a victory for ND. This is so not only becauee the tactics of personal frontal confrontation with Mr Papandreou that Mr Mitsotakis has chosen is as a rule being turned against him but also because the political talk that the present opposition party is articulating under his leadership is inappropriate for his followers who do not comprehend why their party is against the economic measures or why suddenly it is raising the banner of anti-Americanism, or why he is seeking "unnatural" cooperation with the communist Left. And if these things are causing problems for its present followers they undoubtedly are dissuading any eventual followers.

Thus, ND is being led by the nature of things not only to a change in personalities but to a change in policy. The moves that PASOK is scheduled to make in the coming months on the political chessboard will most clearly show that there is no other road for ND than a radical change of course. And somewhere within this reshaping of the political framework the new rules of the game will appear by the end of the year. Not because some people want it so but because of the nature of things.

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STUDENT ELECTIONS' ANALYSIS SHOWS PASOK LOSSES

Athens I KATHIMERINI in Greek 20-21 Apr 86 pp 1, 3

[Article by P. Panagiotopoulos: "The Message of the Student Elections Very Significant for All Parties"]

[Excerpt] The results of last week's student elections are of great significance from a political viewpoint. For the first time since its founding, PASOK suffered an important drop in its electoral strength which approached 20 percent of the total number of votes it received last year. This drop is indicative of PASOK's decay, mainly as a result of government policy in the electoral body.

One may assume that the decrease in PASOK's strength, as the results of the student elections showed, must clearly be much greater in the broader electoral area because the student area is, as an electoral sample, a favorable sign for the governing party. This fact is obvious, if one considers first, that PASOK has by tradition stronger support in the institutions of higher learning [AEI] and, second, that the student body does not directly suffer the unfavorable impact of the government policy options simply because it does not participate directly in the productive procedure.

The fall of the pro-government student front by 5.3 percent just 10 months after the June 1985 elections and 1 year after last year's student elections which preceded the parliamentary ones and which strengthened the pro-government Panehellenic Militant Student Faction [PASP], shows that the PASOK deterioration is already increasing gradually and presages broader political developments.

The Increase Dropped

Of the new correlations which tend to evolve in the student area, the Democratic Renewal Vanguard-ND Student Movement [DAP-NDFK] again clearly emerged stronger.

This year, its real percentage increase was smaller than last year, a fact which ND attributes to the very limited but not negligible percentage of 1.4 percent the Democratic Renewal Party [DI-ANA] detached from DAP. However, Stefanopoulos claims the DAP votes do not belong exclusively to one party. If the 1.4 percent DI-ANA received is added to DAP's 1.83 percent, then the true increase of the Right liberal forces in the AEI will surpass 3.0 percent. Thus, for the first time it has approached 30.0 percent, a percentage which 4 years ago was considered an ND pipedream.

Yet, ND must be concerned with the fact that PASOK's loss in AEI's was a great gain for the KKE Pan-Student Front, while a smaller but not negligible part of this loss was gained by the leftists and other leftist independents ousted from PASOK.

If this trend, as reflected by the results of the student elections, should be extended to the general electorate body, then ND should re-evaluate its tactics starting from the objective warning--which is not so favorable to it--that PASOK may be deteriorating in the political field but this deterioration is not automatically benefiting ND's political standing. On the contrary, it is being transferred to the area of the Left in such a way that the total election percentages of the so-called "democratic forces" continues to have a majority.

The Contradiction

However, this fact has its contradition. According to assessments by experts specializing in university affairs, the "Right-Left" bi-polism from which ND derives no benefit dominates more the university campuses than Greek society. In other words, while it is very difficult for a student who voted PASP in his sophomore year to change direction and vote DAP the following year, it is not normal in university givens for a student to go more to the Left of PASP and to vote especially for the Pan-Student Movement [PSK] which is affiliated with KKE.

One cannot form an opinion with certainty concerning the re-alignments in the broader electoral area where the motives are less ideological and more pragmatic. The fact, however, that DAP, whose strength exceeded 50 percent, received great support again from first- and second-year students, is indicative of the inflexibility "of the political distribution" in the university campuses.

PSK (KKE) received the lion's share from PASP's fall, a fact which can be explained as an act of political disapproval of PASOK which caused a large portion of voters to cast a protest vote. They did so because, according to assessments of reliable observers, the other KKE political philosophy and mentality cannot have a wider effect on today's youth. Moreover, if it concerned a conscious political choice of a party which is much more to the left of PASOK, it would make sense to strengthen the KKE-Int. democratic struggle which, continuing its downward path of recent years, lost 1.5 percent this year.

By way of conclusion, the results of this year's student elections delineate the great responsobilities and obligations ND assumes toward the new generation --responsibilities and obligations which dictate formulation of a comprehensive and necessary policy for a more substantive and more efficient involvement of the liberal element in the youth sector.

7520
CSO: 3521/134

SUDDEN CHANGES ANNOUNCED IN POLICE LEADERSHIP

Athens I KATHIMERINI in Greek 29 Apr 86 pp 1, 3

[Excerpts] Mr. Tsimas' dismissal from the position of secretary general of the Ministry of Public Order and the simultaneous change in the leadership of the Greek Police yesterday gave a factual demonstration that the government actually agrees with the charges by the official opposition that an effective fight against terrorism would have been impossible under the abolished form. On the other hand, political observers pointed out that yesterday's impressive changes took place just a few days after the double and very strong expressions of displeasure by Washington, regarding the posture of Athens on the subject of cooperation in the application of the EEC measures against Libya, as conveyed to the premier during his meeting with the American ambassador this past week and to our ambassador in Washington by Mrs. Ridgeway.

In order to minimize these events and to dispel any adverse impression, the government hastened to present the dismissal of Tsimas as a "resignation"--without, however, explaining the reasons for it--and, at the same time, to announce that within the next few days the, until yesterday, general secretary of the Ministry of Public Order will assume a different, important government position, which, however, has not yet been determined.

At the same time, the government announced--almost as "leftovers" of the reorganization--the expected swearing in of Mr. Koutsogiorgas as minister of Interior (which is mandatory after the separation of that ministry from the Ministry of Public Order) and the unexpected swearing in of Mrs. Kypriotaki as deputy minister of Health, Welfare and Social Insurances.

The government changes were announced by Mr. And. Kourtis beginning with the "resignation" of Mr. Tsimas. His position, as stated by the government spokesman, will be filled by retired Maj. Gen. Panagiotis Morfotos of the Military Justice Corps.

The KYSEA

At the same time, the KYSEA was meeting, under the chairmanship of the premier, to consider the necessary changes in the leadership of the Greek Police. A pertinent government announcement that was released later mentioned the following:

"The KYSEA met today at 12:30 p.m. under the chairmanship of premier Mr. Andreas Papandreou and resolved the following:

"1. It accepted the request for retirement by the current Chief of EL. AS., Lt. Gen. Giorgos Romosios. It conferred the title of Honorary Chief of EL. AS. on Mr. Romosios.

"2. It selected to be the new Chief of EL. AS. Lt. Gen. Ioannis Stavrakas and considered Lt. Gen. Emmanouil Mbosinakis as having successfully completed his career.

"3. It selected to be the new Chief of the Fire Corps Deputy Chief Vasileios Alamara whom it promoted to the rank of Chief."

These changes brought to completion the replacement of the political and service leadership (Tsouras-Tsimas) of the Greek Police against which the premier had publicly hurled the charge of not having the necessary imagination to combat terrorism and, more specifically, the "17th of November" terrorist organization, with the familiar statement he made from Beijing immediately after the assassination of Dim. Angelopoulos. Also interesting is the fact that the "17th of November" reappeared with a letter of an "economical-political" nature that was printed in yesterday's ELEVTHEROTYPIA.

It is also noteworthy that Messrs. Tsouras, Tsimas, Romosios and Mbosinakis were engaged in an ongoing dispute with the highest officers of the Greek Police.

The chief of the Greek Police, Ioannis Stavrakas was born in Levkas in 1930. He was commissioned as an officer in 1959 and was dishonorably discharged by the dictatorship in 1967 because of his opposition to the regime. He returned to the Police Corps in 1975, was promoted to Lieutenant General on 8 July 1985 and was named head of the Administrative Support Branch of the Ministry of Public Order.

As a higher officer and the highest officer, he served in key services of the Police and State Security. He served as director of KYP's counterespionage, director of the Police Directorate for Athens Suburbs (Gendarmerie) and director of Law and Order for Attiki. He has studied at foreign language schools of the Corps, is married and has two children. He is considered to be acceptable by the personnel of both of the former security corps.

9731
CSO: 3521/138

POLITICAL GREECE

BRIEFS

DI-ANA LOSES GROUND--A recent poll has greatly affected the leadership of the Democratic Renewal Party [DI-ANA]. The poll shows that the new party's influence in Athens has dropped from 5 percent last November to 2 percent. Its chairman, Kostis Stefanopoulos, attributes this drop to the bold openings his party made toward new sectors of government policy within the framework of the so-called "consensus procedures." It is believed that the greatest percentage of DI-ANA's followers are ND voters and a few who are displeased with PASOK. The poll results, as well as other negative samples such as the limited influence on the youth and the small membership of the regional organizations, led Stefanopoulos to sharpen his criticism of PASOK and increase his efforts in search of voters especially in the ND area. This new DI-ANA turn is the reason for which Stefanopoulos rejected the "proposal for dialogue" the PASOK government made despite the fact that the majority of the Political Office had an oppositve view. [Text] [Athens TAKHYDROMOS in Greek 3 Apr 86 p 4] 7520

CSO: 3521/134

PARTIES ON LEFT POST SLIGHT GAIN IN LATEST POLL

Oslo AFTENPOSTEN in Norwegian 19 Apr 86 p 10

[Text] Norwegian Market Data's political barometer for March shows that 42.6 percent of the electorate would now vote for the Labor Party. The Labor Party has not done that well on this barometer for years. The Conservatives had a setback this month, but that could be due to a random statistical error the previous month, when the party showed a clear gain.

The Labor Party went up by only 0.4 percent, a gain that is of little interest in itself. But the important thing is that the party has now stabilized its rating at such a high level that an election now could give the Labor Party a straight Storting majority. The Socialist Left Party also went up from 5.4 to 6.1 percent and together the two socialist parties have a clear lead over the government parties with 48.7 compared to 43.9 percent of the vote. Even if the 3.5 percent support for the Progressive Party is included the nonsocialist parties are behind.

The Center Party and the Christian People's Party remained at the same level this month, so the damage was done by the Conservatives. But, as noted above, it is possible that last month's rating of 31.6 percent was a random phenomenon. Whether that is true or not, a support level of 30.2 percent is no reason for Conservative dissatisfaction. It is only 0.2 percent below last year's election results.

For the third month in a row the Liberal rating was 2.5 percent, an even lower level of support than the party received in the fateful Storting election last year.

The survey was conducted in the period between 15 March and 10 April--in other words before any partisan effects of the labor conflict could influence the political picture.

The table below is corrected for the results of the last Storting election. Estimated statistical error is up to 3 percent for voting figures around 50 percent, around 2 percent for figures in the 10-20 percent range and around 1 percent for lower figures. Interviews were carried out from 15 March to 10 April 1986 by Norwegian Market Data, Inc.

	Fylkes-tings-valg Sept. 1983 (1)	Jan. 1985	Feb. 1985	Mars 1985	Apr. 1985	Mai 1985	Juni 1985	Aug. 1985	Stor-tings-valg Sept. 1985 (2)	Sept. 1985	Okt. 1985	Nov. 1985	Des. 1985	Jan. 1986	Feb. 1986	Mars 1986
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	
Sos. V.parti ...(3)...	5,3	5,2	4,6	4.6	5,1	5,3	5,4	5,8	5,5	6,4	6,5	6,1	6,5	5,7	5,4	6,1
Arbeiderpartiet (4).	38,9	38,4	39,2	39,2	38,2	39,7	38,7	38,5	40,8	41,5	41,8	41,5	41,0	42,2	42,2	42,6
Sum ....(5).	44,2	47,8	47,4	43,8	43,3	45,0	44.1	44,3	46,3	47,9	48,3	47.6	47,5	47,9	47,6	48,7
Senterpartiet ..(6).	7,2	5,2	6,1	6.1	6,4	5,3	6,0	6,6	6,6	5,5	7,3	6,1	6,2	6,4	5,7	5,7
Kristelig Folkep.(7).	8,8	8,5	8,3	8,3	7,7	8,4	8,5	8,1	8,3	7,6	8,0	7,9	8,7	7,9	7,9	8,0
Høyre ....(8).	26,4	28,7	30,8	30,8	31,0	29,9	30,1	30,0	30,4	30,4	28,0	31,0	30,7	30,0	31,6	30,2
Fremskrittsp. ..(9).	6,3	6,9	5,5	5,5	5,8	4,9	5,3	5,4	3,7	4,0	4,8	3,6	3,9	3,5	3,1	7,5
Sum ....(5).	48,7	49,3	50,7	50,7	50,9	48,5	49,9	50,1	49,0	47,5	48,1	48,6	49,5	47,8	48,3	47,8
Venstre ....(10)	4,4	3,7	3,6	3,6	3,5	4,5	3,7	3,5	3,1	3,2	2,6	2,2	1,6	2,5	2,5	2,5
Det Lib. Folkep. .(11)	0,7	0,5	0,6	0,6	0,3	0,4	0,7	0,7	0,5	0,5	0,4	0,3	0,3	0,7	0,3	0,4
Rød Valgallianse .(12)	1,2	1,1	0,8	0,8	1,2	0,7	1,0	0,9	0,6	0.6	0,2	0,5	0,8	0,5	0,7	0,4
Kommunistpartiet(13)	0.4	0,8	0,3	0,3	0,5	0,7	0,5	0,2	0,2	0,1	0,1	0,6	0,2	0,3	0,5	0,3
Andre ....(14)	0,3	0,5	0,2	0,2	0,3	0,2	0,1	0,4	0,4	0,3	0,3	0,1	0,1	0,3	0,2	0,4
Total	99,9	100,0	100,0	100,0	100,0	100,0	100,0	100,1	100,1	100,1	100,0	99,9	100,0	100,0	100,1	100,1
Svar om partipref. ..(15)		1046	1056	1056	1037	984	1024	1052	--	1030	1095	993	970	1098	1066	1075
Antall intervjuer ialt (16)		1255	1278	1256	1262	1216	1263	1268	—	1218	1240	1191	1152	1282	1248	1266

Political Barometer

Key:

1. County elections
2. Storting election
3. Socialist Left Party
4. Labor Party
5. Subtotal
6. Center Party
7. Christian People's Party
8. Conservative Party
9. Progressive Party
10. Liberal Party
11. Liberal People's Party
12. Red Election Alliance
13. Communist Party
14. Others
15. Number stating party preference
16. Total number interviewed

6578
CSO: 3639/102

CONSERVATIVE NEWSPAPER ON LIKELY COURSE OF NEW GOVERNMENT

Difficult Search for Stability

Oslo AFTENPOSTEN in Norwegian 2 May 86 p 2

[Editorial: "New Labor Party Government"]

[Text] With the complex parliamentary situation we now have, every conceivable government alternative will have big problems finding a stable foundation from which to rule--if such a foundation exists at all. Nevertheless, after the fall of the Willoch government, there is only one constitutionally and politically natural outcome to the crisis: Gro Harlem Brundtland must form a minority Labor-Party government.

When the Labor Party leader herself suggests that the offer should first go to the middle parties, the Christian People's Party and the Center Party, she is engaging in academic hairsplitting which has no basis in the existing political reality. According to parliamentary custom, the group which provokes a government crisis must also assume responsibility for getting the country a new government. In the present situation, this means that the task of forming a government must go to the leader of the largest opposition party, Gro Harlem Brundtland.

The formation of a new Labor Party government is the first tangible result of Carl I. Hagen's insistence that his party cast its ballot with the Labor Party and the Socialist Left Party during the dramatic voting the other night. But this is just the beginning, mind you. Since the Labor Party leader--according to a statement made to AFTENPOSTEN--wants to set out on a course which can prevent a series of government crises, we must reckon with the possibility that her government will stay in power for a considerable time to come. But in any event the change of government means that Norwegian policy will veer several degrees to the left.

Between now and the next parliamentary elections, Carl I. Hagen and his "progress party" will have ample opportunity to study the political consequences of toppling a nonsocialist government. In all likelihood, many people long ago asked themselves what sort of outlook Mr Hagen actually has on political developments when he finds it more important to vote against a slight increase in the gasoline tax than to prevent a socialist seizure of power. Through their conduct earlier this week, Hagen and his party have taken very emphatic care to eliminate themselves from any serious debate on comprehensive solutions to political and social problems.

Thanks to Carl I. Hagen's party, which still claims to be nonsocialist, we now get a socialist government which in essential areas will pursue a policy quite different from the one which the Willoch government has stood for. If Gro Harlem Brundtland maneuvers carefully, she will be able--even though her government is a minority one--to implement much of the "socialism" which Hagen says he opposes.

It will be a costly change of government for Norway, with a new round of progressively higher taxes and levies and more government intervention. Tax allowances will be reduced, and gross taxes will be increased substantially. The forthcoming change of power will have a very harmful impact on Norwegian workers and businessmen, especially through the combined stagnation and inflation we know from an earlier period of Labor Party rule.

Higher Taxes, Government Intervention

Oslo AFTENPOSTEN in Norwegian 3 May 86 p 3

[Article by Bjorn Talen: "Tax Trauma in Store"; first paragraph is boldfaced lead-in in original]

[Text] There is reason to expect that the Labor Party will follow a moderate course when it assumes power, among other reasons, in order to entice the middle parties out of their marriage with the Conservatives. But the Labor Party is prepared to employ strong measures to stem the flood of economic disaster which is engulfing the country. Increased taxes and higher duties on imports are just around the corner, and a hike in the value-added tax is a measure being discussed. Both devaluation of the krone and a wage-and-price freeze may be suitable ways to strengthen competitive ability.

The Labor Party's general plan seems clear from a purely political viewpoint. The party will play it safe in the middle of the road. Fruitful teamwork with the middle parties is expected in areas like taxes and regional development policy. Nor can one exclude the possibility of a sharp turn into the Conservatives' side of the road, with the result that the TV-2 ball is put in the cage.

This strategy has a twofold purpose: to stay in power as long as possible and to break up the nonsocialist squad. As the Labor Party government has to depart sooner or later, the impact will be maximum if it is succeeded by a form of coalition with the middle parties or by a pure middle-party government, both of which would knock the Conservatives out of the picture. In that case, it is not the Labor Party's problem if this causes voters to flee the Christian People's Party and the Center Party.

The Address

The first test will be the inaugural address. But it will be so moderate that it will scarcely justify a move by the nonsocialist parties for a vote of no confidence, no matter how hard Carl I. Hagen strives. Top officials in the Labor Party guarantee there will be no repeat of 1928, when Hornsrud declared that his goal was a socialist society and scared the daylights out of the middle classes.

Retrenchment

But it will be much more difficult a month from now to submit a revised national budget with stringent retrenchment measures. And if things work out, it is just a question of proceeding to obtain a majority for the most unpopular national budget ever.

The incoming government knows just as well as the outgoing one that the loss of billions of kroner in oil income, together with an accelerating rate of expenditures, makes it utterly necessary to increase state revenue, to cut costs, and to reduce people's purchasing power. The Labor Party would also like to obtain an extra 20 billion kroner which it promised for a series of good causes in last year's election campaign.

Taxes

High on the list is a thorough tax reform in line with the Tax Commission's proposals. But there will probably be a unilateral increase in gross taxes in order to reduce the importance of tax deductions and no corresponding relief in net taxes, so that the total result is an increased tax differential. The Labor Party will also be careful about how businesses are taxed. But in return the population must expect higher taxes on motor vehicles and gasoline and a new tax on pleasure boats.

These measures, together with an increased tax on stocks, will have a leveling-off effect and bring money into the state treasury, but not nearly enough. That is why a hike in the value-added tax is also being discussed. Here each percentage point provides an increase of 2-3 billion kroner. But a higher value-added tax means an even sharper rate of inflation after this year's wage agreement. We cannot therefore rule out the possibility that Gro Harlem Brundtland will have to resort to questionable remedies such as devaluation of the krone and a wage-and-price freeze to avoid a catastrophic downtrend in our competitive ability.

Distribution

The Labor Party's noble motive for toppling the Willoch government was the supposedly unjust distribution of burdens. But nearly all equalization measures, particularly tax increases, will curb the growth which is necessary so that there will be something to distribute. One of the Labor Party's answers is a large-scale investment in research and development, but that is hardly enough.

Regardless, the need to save will severely limit the Labor Party's incentive measures, and borrowing billions abroad is a dangerous game. Many things indicate that the Labor Party must choose between being an irresponsible stand-in government and being a responsible breaker of beautiful promises. Maybe it is not so strange that thoughtful persons in the party found this an unfavorable moment for a government crisis.

Economy Biggest Problem

Oslo AFTENPOSTEN in Norwegian 3 May 86 p 3

[Article by Hans Chr. Erlandsen: "Economy Labor Party's Biggest Headache"]

[Text] In today's situation, economic policy is every Norwegian government's biggest headache. It was therefore natural that when the Willoch government was toppled, it was over an economic issue. But it is hard to see how the Labor Party's policy will differ in broad outline from that of the nonsocialist government. If the party wants to keep earlier promises, it will be prevented from implementing concrete measures in many areas.

Norway is in a difficult economic situation.

If the average price of oil between now and 1990 remains 100 kroner per barrel (today it is roughly 85 kroner) and if the dollar exchange rate holds firm, revenue from exports will be 190 billion kroner less than anticipated in the Long-Range Program. The state would have gotten 120 billion of those kroner.

If we want the country's foreign debt to be 30 percent of the gross national product (today it is 8 percent), the purchasing power of wage earners must be reduced by 10-15 percent.

And if employees in the public health service are given the same reduction in working hours which other groups have just received, it will cost the townships and counties 1 billion kroner.

Rising Wages

This year, wage costs per produced unit may rise 3-4 percent more than for our trade partners. It will then be difficult to increase exports from mainland Norway.

Where Is the Money?

The question is how and where we will get the money to cover lost revenue and increased costs.

During the spring session, the Labor Party has submitted three programs which aim at what is called "new growth" for Norway: a program to combat the speculation economy, a program for regional development, and a program for trade and industry with special emphasis on creativity, research, education, and internationalization.

It seems quite clear that the new government will give the "speculation economy" a slap in the face. But there are no sums of money obtainable here which will help much in the overall context. For example, an increase in the profits tax on stocks from 30 to 40 percent would yield "only" about 100 million kroner. If we increase from 2 to 3 years the time a person must own a stock before he is exempt from taxes on it, an additional 10-20 million kroner will be collected.

The creativity program is more a long-term investment than a measure which yields results over the short haul. Moreover, such a program will cost money today which we will not see again for many years. Nor will the regional development program put money in the state treasury or increase growth in the short run.

It will soon be necessary for the state to be more frugal with foreign-currency reserves. This may have a negative effect on measures to internationalize Norwegian industry, which is a key item in the creativity program. In particular, the placement of foreign currency in the foreign branches of Norwegian banks and loans for setting up businesses in other countries will be postponed.

One of the Labor Party government's main problems will be to pursue a policy which trade and industry find credible. The Oslo Stock Exchange panicked on Tuesday: the market value of companies quoted on the stock exchange fell by 3 billion kroner. If manufacturing firms in Norway are to continue to grow, if new ideas are to get fertile soil and essential starting capital, and if people are to make an extra effort, then it must be assumed that one will receive profits and not increased taxes if one succeeds.

And to continue along this line: what will a Labor Party government do with Horten Shipyard and Trosvik? Will we use the scanty resources we have to maintain ailing industrial firms, or we will give priority to new projects which can provide growth and jobs? The way the new government conducts itself here will yield important signals.

The crux of the Labor Party's indictment of current economic policy is that the man in the street has too much money in his pocket. The government can soak up some of this money without the Parliament's blessing. The interest rate can be raised, for example. But not only is today's interest rate in Norway at a record high in the international community, the Labor Party has previously supported a drop in the interest rate. If the national banks lower the interest rate by 1 percent, that alone would cost 1 billion kroner.

It is not just that the Labor Party will be forced to contradict itself and go back on some old promises. Its ability to function will also be restricted by having to pursue a policy which depends on support from the opposition in Parliament. In all likelihood, the second government of Gro Harlem Brundtland will also be toppled by an economic issue.

Dramatic Foreign Policy Shift

Oslo AFTENPOSTEN in Norwegian 5 May 86 p 3

[Article by Hans Chr. Erlandsen: "Dramatic Change of Course in Foreign Policy"; first paragraph is boldfaced lead-in in original]

[Text] Norway is on the verge of the most dramatic change of course in foreign policy since 1948, if the Labor Party government chooses to put into practice its stand on key issues of security policy. In such a case, Norway will be grouped with the "footnote lands" in NATO. This country's destiny will then be the same as Denmark's: in an alliance which is the cornerstone of our defense and security policy, we will lack credibility on security issues.

The Labor Party has advocated calling a halt to the deployment of intermediate-range nuclear missiles in Europe. AUF leader Jens Stoltenberg put it this way in a speech on 1 May:

"A Labor Party government must also follow up on the national congress resolution concerning a nuclear weapons freeze. Among other things, the resolution calls for a halt to the American deployment of new nuclear missiles in Western Europe."

If Norway's ambassador to NATO is instructed to adopt this standpoint at the alliance's next council meeting, it means that Norway is breaking with the strategy which NATO has hammered out for negotiations on nuclear weapons. It will happen at a time when there are prospects for a provisional agreement between the United States and the Soviet Union on intermediate-range missiles which can reach targets in Europe.

Nuclear-Free Zone

In this connection, Norway's active involvement in the creation of a so-called nuclear-free zone will also have a disturbing effect: Norway will have a hard time getting NATO to understand that we are collaborating on this with the neutral countries Finland and Sweden. The issue is very important to the alliance and particularly to the member countries which are involved in a possible rescue of Norway in a crisis situation.

"There will...be reason to impress upon our allies the so-called Bratteli statement of 1975. It provides that no allied ship will carry nuclear weapons during a visit to Norwegian ports," said Knut Frydenlund, the Labor Party's foreign policy spokesman, in an interview with VG on Friday.

If this means that we adhere to the guidelines laid down by Prime Minister Trygve Bratteli, it will touch upon an area where the United States in particular follows strict principles. One refuses to reveal in any indirect way to the Soviet Union which American ships have nuclear weapons on board.

The Northern Territories

The Labor Party government's stand on this issue will be seen in connection with how one reacts to increasing Soviet involvement in the northern territories. The Willoch government has recently made it quite clear that NATO's training maneuvers in these territories must be increased, as a reaction to the Soviet course of conduct. How will the new Norwegian government interpret the large-scale landing maneuver which Soviet forces recently carried out near Norway, and what conclusions will be drawn?

The Labor Party seems particularly preoccupied with the American research program for a strategic defense system in space (SDI). This is a program which has bipartisan support in the United States and which is now considered a key link in the country's defense efforts. If Norway not only opposes the need for this program at NATO forums but also ostentatiously prohibits Norwegian industry from accepting possible orders in connection with the SDI, it will make relations between the two countries more troublesome. It can be asserted that a certain

Norwegian skepticism would be in line with what France, for example, has expressed. But that skepticism is based on a belief that the old arrangement with its balance of terror is better than the SDI. Here the Labor Party is probably not in agreement with its French counterpart.

NATO and Detente

Knut Frydenlund has repeatedly made a pitch for a policy which, in his opinion, NATO no longer follows: essential defense endeavors should be combined with efforts on behalf of detente. However, this strategy has constantly been emphasized by NATO in recent years, the last time in the spring of 1984 when--after a thorough analysis--the alliance reiterated that this was precisely its strategy. As minister of foreign affairs, Knut Frydenlund will have a hard time making himself credible at NATO meetings if he declares that NATO does not pursue a strategy which in fact NATO's highest organs have confirmed.

Coalition Parties Retaining Alliance

Oslo AFTENPOSTEN in Norwegian 3 May 86 p 2

[Editorial: "Cooperation's Future"]

[Text] A bright spot in the situation which arose after a majority in Parliament came out against the Willoch government is that the three nonsocialist coalition parties are more united, perhaps, than at any time since the current government was formed. This will have considerable importance for future efforts to form a new government of the Conservative, Christian People's, and Center parties as soon as the political and parliamentary circumstances are favorable.

We agree with Kjell Magne Bondevik, chairman of the Christian People's Party, that the most important thing is for the coalition parties to maintain good contact and a civilized tone among themselves when they switch over to the opposition. We know from experience that it does not take much to create friction and dissatisfaction if the parties' natural desire to assert their individuality comes into conflict with broad cooperation. It is all the more important that leaders of the three parties now give assurance of their strong willingness to cooperate when they assume the opposition role in Parliament a week from now. This is a promising point of departure.

Because the opportunities to gain ground with nonsocialist policies continue to have broad cooperation as a crucial precondition, we will do what we can--as we have up until now--to keep the concept of cooperation alive. If three-party cooperation is to emerge as an authentic alternative at the next crossroads, there must not be too many disagreements over the primary political issues. We emphasize this, knowing full well the problems that will arise on that score. There is no reason to deny that in many areas there is a significant distance between the three current government parties.

As the opposition, these parties will have substantially greater freedom to maneuver than when they themselves bear joint responsibility for governing the country. Representatives of the middle parties in particular have stressed this very point. In view of this, it is only natural that people in political circles are asking themselves if it is conceivable that new alignments will spring up in a number of key areas of concern. This applies especially to tax policy where, as everyone knows, there have been some noteworthy differences of opinion among the current government parties. Another sensitive area is security policy. In view of the movements in this very area which have been registered in sections of the middle parties, it will certainly be no easier to maintain discipline in the ranks when the parties switch over to the opposition.

The Labor Party and its leader, Gro Harlem Brundtland, know very well how to take advantage of the counterforces in both the Christian People's Party and the Center Party. That is why it is extremely important for the coalition parties to begin right now to formulate a strategy which provides a genuine nonsocialist alternative in a new political situation. In this connection, leaders of the three parties have a special responsibility.

12327
CSO: 3639/108

CONSERVATIVE DAILY URGES CURBS ON EAST BLOC DIPLOMATS

PM090904 Stockholm SVENSKA DAGBLADET in Swedish 3 May 86 p 2

[Editorial: "The Tip of the Spy Iceberg"]

[Text] Four Czechoslovak diplomats and the head in Sweden of the Czechoslovak state airline, CSA, are being expelled from Sweden for esponiage. The most dramatic aspect of this incident is the expulsion from the country of those involved. The fact that East bloc diplomats and other official representatives engage in illegal intelligence activities is hardly likely to surprise anyone.

It is well known that the majority of the East bloc countries' envoys works for secret police organizations or military intelligence bodies. Since these are controlled in their turn by the Soviet Union's KGB or GRU the Eastern bloc's embassies and bureaus are parts of a worldwide spy net. This is how things have been and how they will remain.

It is clearly necessary that five Czechoslovaks should be expelled from Sweden now that their illegal activities have been uncovered by the Swedish security police. Their involuntary departure from Sweden will probably mean some interruption in espionage activities against our country. Confusion is created and contact networks are destroyed. Credulous Swedes are given yet another warning against incautious contacts with this sort of spy under the disguise of diplomacy or trade.

But by and large the illegal activities against our country are hardly likely to be much reduced by declaring five Czechoslovaks persona non grata. In time they are bound to be replaced and the Eastern bloc's espionage organization here in Sweden is so widespread that it will probably survive a minor setback.

If Sweden is to make a serious attempt to stem the intelligence activities in which the Soviet Union and its satellites engage we should try to cut off the roots instead of the branches which grow again after a while. It is hardly resonable to allow the Soviet Union to have so many diplomats and officials in Sweden when everyone knows what the majority of these really do.

At the Soviet Embassy in Stockholm alone there are around 80 Soviet citizens, half of whom have diplomatic status. To deal with the modest trade between Sweden and the Soviet Union the Soviet Union also has a large trade delegation on Lidingo [island suburb of Stockholm] with around 50 Russians. In Goteborg there is a consulate where around 20 envoys pass their time dealing with more than visa applications and a nonexistent number of stranded Soviet seamen and tourists. There are in addition offices for other Soviet organizations -- Aeroflot, Intourist, and so on.

At the embassy, trade delegation, and consulate alone there are around 150 diplomats and officials from the Soviet Union. Thus there are whole platoons of intelligence officers here engaging in activities which have nothing to do with their official tasks. Then there is the personnel from the other Eastern bloc countries.

If Sweden were to permanently limit the Soviet Union's and the other East bloc countries' representation here to the same level at the Swedish representation in the various countries much would be won. Sweden could also apply the same rules which Moscow uses against foreign diplomats in Moscow. Their freedom of movement is restricted to the capital and large sections of the Soviet Union are always closed to foreigners.

Sweden has actually no reason at all to allow this host of KGB and GRU agents to carry on as they like in our country. The expulsions of East bloc diplomats which happen from time to time demonstrate to all an abuse that does serious damage to our country. And it is surely merely the tip of the iceberg that is uncovered by the Swedish authorities.

What is needed is a tougher and more consistent line against this illegal diplomatic activity. Unfourtunately, however, the government's actions up to now have left a great deal to be desired. When journalist Charlie Nordblom in his book "Industrial Espionage" pointed about a year ago to the scale of espionage among East bloc diplomats in Sweden the State Committee intervened. On the prime minister's orders an under secretary of state attacked the book and in practice freed the Soviet Embassy from all suspicions.

With such an approach Sweden will never be able to reduce appreciably the Estern bloc's intelligence activities in our country. It really is time for a rethink at the highest levels. The government's energies should not be squandered on uncovering the espionage but should of course be concentrated on restricting the potiental scope for activities which, if allowed to continue, threaten our peace and freedom.

/12640
CSO: 3650/201

DAILY FOLLOWS UP PEACE TEACHING CONTROVERSY

PM131040 Stockholm SVENSKA DAGBLADET in Swedish 20 Apr 86 p 2

[Editorial: "The National Board of Education Would Choose Occupation"--words between slantlines italicized in original]

[Text] In an article on Wednesday's [16 April] "Focus" page Lena Olsson-Hulten and Kajsa Ohrlander attacked a book published by the Liber Publishing Company on peace teaching in schools. [Words indistinct] of the National Board of Education [SO] has written a foreword and as a result has given the book a sort of official sanction.

The criticism of the book and of the SO in the article is totally justified. But there is even more to add about the SO's role in peace teaching.

For the SO has also published an official teacher's guide, a sort of commentary, to peace teaching (S 85: 13). The guidelines for the contents of the guide were also drawn up by the SO management board.

In the booklet the SO calls into question the foundations of Swedish security policy. The SO writes as follows: "This (the concept of peace--SVENSKA DAGBLADET note) also includes the broad content of peace teaching to be found in the subsections of peace, freedom, development, and human rights. These elements are all interrelated. Peace is the /overriding/ and uniting concept. The division into various elements is made for /practical/ and /pedagogic/ reasons." The ultimate conclusion that can be drawn from Swedish security policy as laid down by the Swedish Riksdag is that peace is /subordinate/ to national independence and freedom. That is why we have defense forces. In the choice between peace under occupation and peace with the preservation of freedom Sweden would choose the latter. There is no doubt or disagreement on this point.

But the SO clearly takes a different view. The SO's employees are of course allowed to take such a view in their capacity as individuals. But the SO as the highest schools authority and, it should be noted, as part of our total defenses must represent the security policy laid down by the Riksdag. This is an obvious consequence of the regulations in the schools law about the role of schools in Swedish democratic life.

It is completely unacceptable that the SO as a state authority should represent a line running contrary to the official Swedish view of security and defense policy. This is what the SO does when it encourages the country's schools to engage in peace teaching with the above as the point of departure.

It is something completely different if pupils at a school meet with views different from those expressed in official security policy doctrine. The school must naturally investigate the sort of pacifist positions to be found in the SO guide.

The SO should therefore immediately withdraw the booklet "Peace Teaching" and rewrite it in accordance with Swedish security policy. If this does not happen, there is every reason for the Swedish Riksdag to clarify what is of overriding importance and what is secondary in school peace teaching.

/12232
CSO: 3650/206

FRENCH-SPANISH MANEUVERS ANNOUNCED

Madrid EL ALCAZAR in Spanish 13 Apr 86 p 8

[Text] The combined Galia-86 Spanish-French military maneuvers that will be carried out in various locations of six provinces of the Castilla and Leon Community will get underway tomorrow with an airdrop.

The maneuvers will consist of paratrooper drops that will engage in simulated operations of ground occupation, jointly with the ground deployment of armored and motorized units.

The area in which the maneuvers will be carried out is bounded by the towns of Mota del Marques (Valladolid), Magaz (Palencia), Castillo de la Vega (Burgos), Rebollosa de Pedro (Soria), Lozoya (Segovia) and Benavente (Zamora).

The paratrooper drops will take place in various locations of the provinces of Valladolid, Palencia and Zamora.

The Spanish forces that will participate in the maneuvers under the command of Gen Antonio Vicente Martinez will be a Parachute Brigade, the Espana No. 11 Cavalry Regiment, two sections of BMR vehicles, 16 helicopters, two sections of trucks, six Hercules C-130 planes, and two transport Aviocars.

8414/12245
CSO: 3548/50

SPANISH CARRIER VIOLATES GIBRALTAN WATERS

Great Britain Lodges Official Protest

Madrid DIARIO 16 in Spanish 3 Apr 86 p 5

[Excerpts] Madrid--Through the counselor of its embassy in Madrid, the British Government yesterday morning lodged its official protest for the incident involving the Spanish Navy helicopter carrier Dedalo that took place on 20 March.

This intrusion of the Dedalo--confirmed by military sources to DIARIO 16--has renewed the Gibraltan controversy just a few weeks prior to the official visit of the monarchs to Great Britain, which is slated to start on 22 April.

The reserve displayed by the officials of the British Embassy, headed by Lord Gordon Lennox, was amply manifested yesterday by a refusal to provide any information and the referral of all interested parties to the Foreign Office. In London, an official spokesman insisted that there was no reason for the incident to reflect on the planned trip of the sovereigns to that country.

On this issue, as noted on the official protest presented by an embassy counselor to Fermin Prieto Castro, assistant counselor for Gibraltan affairs of the General European Directorate of the Ministry of Foreign Affairs, the British Government judges that the Dedalo intruded into British territorial waters on 20 August.

This version contrasts with Spanish allegations. Spain contends that in accordance with the Treaty of Utrecht of 13 July 1713, the only waters ceded were those of the port of Gibraltar, hence the waters adjacent to the Rock are under the Spanish sovereignty.

The spokesmen of the Ministry of Foreign Affiars added yesterday that this Spanish stance is not new, but is rather the one that has been maintained not only in the course of the periodic conversations held with the United Kingdom, but also in other instances.

The same spokesmen also made known that that stance was reiterated at the time of Spain's adherence to the Geneva Convention of 1959 on territorial seas and adjacent zones.

The details available on the intrusion of the Dedalo, which apparently spent 15 minutes in Gibraltan waters, are scarce.

Impossible to Determine Territoriality

Madrid DIARIO 16 in Spanish 3 Apr 86 p 5

[Article by Antonio Mozo]

[Text] Seville--A confluence of formal and factual sovereignties takes place in the Strait of Gibraltar that to date has rendered impossible the demarcation of the waters corresponding to the three states with a presence in the area.

If each shore belonged to a single state, there would only be a need to draw the equidistant line between the two margins along the stretch Trafalgar-Espartel and Europa Point-Santa Catalina Point.

The aggregate waters of the strait, however, are under the triple sovereignty of Spain, Morocco and the United Kingdom, dating from the inception of the colony of Gibraltar.

Spain does not acknowledge sovereign rights over the Rock by the United Kingdom, and our country believes that the Gibraltan territory does not engender territorial waters. Morocco maintains the same posture with respect to Ceuta. The United Kingdom is the only beneficiary of this demarcation, the only interested country that accepts it, including the triple sovereignty.

Spain, on the other hand, considers that the waters of Algeciras Bay "are under the Spanish sovereignty" as asserted on the Red Book of 1967. The United Kingdom is acknowledged some inner waters inside the port of Gibraltar, enclosed, in turn, by the territorial sea of the bay which, at the same time, contains the inner waters of the Algeciras-La Linea Port. Those are the only precise delimitations acknowledged by the Spanish Administration since the Decree of 19 October 1967, in addition to that established in the demarcation of the restricted air space, which specifies that the established limits "do not signify a delimitation of the national territory, nor the renunciation of the sovereign rights of Spain to the south of the coordinates" that are set forth in the document.

The nonenclosure of Algeciras Bay by means of a base line, which would turn all its waters into inner waters, is due to the fact that Spain cannot rest that base line on Europa Point, where, as the Spanish delegation to the Sea Conference of 1981 acknowledged, "Spain evidently does not exert territorial sovereignty."

That statement is inconsistent with another made by the same delegation to that convention which states that "Spain has to consider that all the waters of the bay, except those of the port of Gibraltar, are Spanish waters." As a matter of fact, by upholding this contradiction, Spain denies sovereignty to the United Kingdom as well as to itself.

The situation is different on the east side of the Rock of Gibraltar, where there is no official demarcation of the waters.

8414/12245
CSO: 3548/50

SWEDISH RESEARCHER VIEWS NUCLEAR THREAT TO NORDICS

Stockholm SVENSKA DAGBLADET in Swedish 9 Apr 86 p 8

[Article by Lars Christiansson]

[Text] The USSR has at least 1,350 nuclear weapons deployed in close vicinity to the area being proposed as a Nordic nuclear-free zone. Those weapons are intended and specially suitable for targets in the Nordic countries.

From their launch sites, they cover targets practically throughout the Nordic Region.

On the NATO side, 42 nuclear weapons can be considered intended for targets in the same area. But from their bases in Schleswig-Holstein, they can only reach targets in waters south of the Danish islands of Fyn and Lolland.

The Nordic countries have no nuclear weapons based in their own territories.

Those calculations are taken from a report by security researcher Tomas Ries.

The withdrawal of all those nuclear weapons is one of several conditions which, in the Swedish view, must be fulfilled if a Nordic nuclear-free zone is to become a reality.

Joint Group

At the meeting of Nordic prime ministers that will open in Stockholm on Wednesday morning, Danish Minister of Foreign Affairs Uffe Elleman-Jensen will propose that the problems associated with the establishment of a Nordic zone be studied by a joint group of Nordic government officials. Their report is intended to show how the zone is to be put into effect.

The Danish Government is being forced by its Parliament to submit the proposal. The government has a bare majority against it in Parliament on security issues.

It is uncertain how the proposal will be received by the other Nordic ministers of foreign affairs. Finnish Government spokesmen have expressed support for such a government study, but have not specified its purpose. Swedish Prime Minister Ingvar Carlsson stated during his visit to Helsinki on Monday that such a study might be a step in the right direction, provided that a form on which all the Nordic countries can agree is found.

Norwegian Skepticism

It is not known how the Norwegian Government will react. But Prime Minister Kare Willoch expressed very strong skepticism concerning a Nordic nuclear-free zone in a speech last Monday. In its Colding Report, Norway has placed even stricter conditions on the establishment of the zone than Sweden has.

The Colding Report makes very clear demands for withdrawal of the Soviet nuclear weapons existing in the zone's immediate vicinity. This applies in particular to the Kola Peninsula, where the Soviet Union has several of its most important bases and a large portion of its nuclear arsenal.

The Soviet Union regularly asserts that it does not have any nuclear weapons that threaten the Nordic Region or any that are directly intended for use against the Nordic countries. As recently as the middle of February, that assertion was made in the Finnish Center Party newspaper KALEVA by the writer with the pseudonym Kommisarov.

Supported by Leadership

Concealed behind the pseudonym Kommissarov is the deputy chief of Scandinavian affairs in the Soviet Ministry of Foreign Affairs, Yuriy Deryabin.

Anything written by Kommissarov, who has served in the Soviet Embassy in Helsinki, is considered to have the backing of the leadership in the Soviet Ministry of Foreign Affairs.

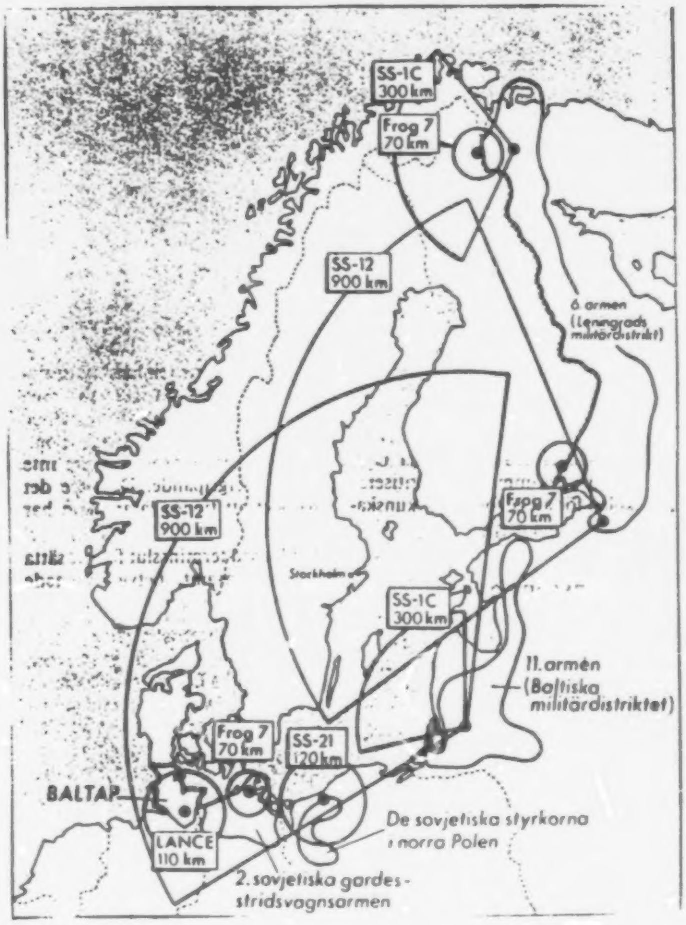
Kommisarov wrote:

"Concerning the far-reaching demands now being made in Norway, one should bear in mind that the defensive measures adopted by our country in its northwestern areas, including the Kola Peninsula, have not had regional objectives and have not threatened the security of the Nordic Region.

"The Soviet Union is a nuclear power, and it would be unfair to place any special demands on us just because some of our areas border on a possible nuclear-free zone."

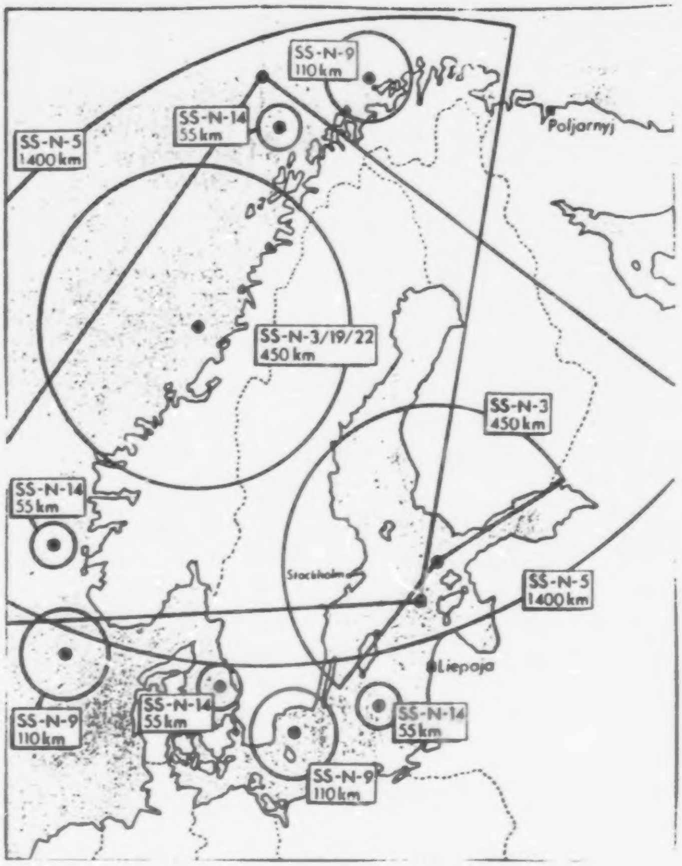
In a speech to the Paasikivi Society in Helsinki in 1983, Olof Palme stated the basic conditions on which Sweden could participate in a Nordic nuclear-free zone. He said:

"We also feel that nuclear weapons which are primarily intended or suited for targets within the proposed zone should be withdrawn from our immediate vicinity. Those nuclear weapons, both on land and in the surrounding sea area, would of course become superfluous in practice."


SS-1C
300 km
Frog 7
70 km
SS-12
900 km
6. armen
(Leningrads militärdistrikt)
SS-12
900 km
Frog 7
70 km
Stockholm
SS-1C
300 km
11. armén
(Baltiska militärdistriktet)
Frog 7
70 km
SS-21
120 km
BALTAP
LANCE
110 km
De sovjetiska styrkorna i norra Polen
2. sovjetiska gardes-stridsvagnsarmen

The map shows the approximate deployment and range of sea-based Soviet nuclear weapons suitable and/or intended for use against targets in the area that would be covered by a proposed nuclear-free zone.

According to security researcher Tomas Ries, there are no permanently based counterparts on the NATO side.


SS-N-9
110km
SS-N-14
55km
SS-N-5
1400km
Poljarnyj
SS-N-3/19/22
450 km
SS-N-3
450km
SS-N-14
55km
Stockholm
SS-N-5
1400km
Liepaja
SS-N-9
110km
SS-N-14
55km
SS-N-9
110km
SS-N-14
55km

Most of the Soviet nuclear weapons which, in the Swedish view, would have to be withdrawn if a Nordic nuclear-free zone is to become a reality are based on land.

There are about 1,000 such Soviet nuclear weapons. On the NATO side, there are 42 land-based nuclear weapons in North Germany that would also have to be withdrawn.

Also Baltic Sea

The prime minister also made it clear in the same speech that "we have a clear interest in seeing to it that there are no nuclear weapons in the sea areas in our vicinity. A zone arrangement in the Nordic Region must therefore also include commitments concerning the nuclear-free status of the Baltic Sea."

On behalf of the Danish Parliament's Committee on Disarmament and Security Policy, security researcher Tomas Ries made a study of which nuclear weapons are primarily intended or suitable for targets within the proposed zone.

The result probably coincides with what Olof Palme felt were the nuclear weapons that would have to be withdrawn in order to make the establishment of a zone possible. It emerges from the compilation by Ries that at least 1,350 Soviet and only 42 NATO nuclear weapons would be affected.

Ries also adds an additional 540 Soviet nuclear weapons that would fall within the definition of weapons "intended or suitable for targets within the area covered by the proposed zone." In this case, Ries is including Soviet submarines in the Norwegian Sea and the weapon systems that can be refitted with nuclear weapons.

Tomas Ries does not include Western and Eastern airborne nuclear weapons in his compilation. Nor does he include, for example, nuclear-armed torpedoes or mines.

Ries calculates that the Soviet Union has at least 132 nuclear weapons in the Baltic Sea, primarily on board surface vessels but also on some submarines. He is therefore ignoring the Soviet submarines armed with strategic nuclear weapons that frequently go in and out of the Baltic. NATO has no nuclear-armed vessels stationed permanently in the Baltic.

Soviet nuclear weapons in the Baltic are carried mainly on various surface ships. But mention is made of two Whiskey-class submarines of a rather modern type--Whiskey LB-SSG--each of which is armed with four SS-N-3 missiles.

The SS-N-3 is an older type of cruise missile, and in this version it has a range of between 180 and 450 kilometers. There are also three Juliett-class submarines in the Baltic Sea, and they, too, carry four SS-N-3 missiles.

In addition, the Soviet Union has six Golf submarines on fast patrol duty in the Baltic Sea. Each is armed with three SS-N-5 missiles with a range of 1,400 kilometers.

Also North Sea

Ries also includes Soviet nuclear weapons on submarines and surface vessels in the North Sea and the Norwegian Sea which are intended to cover the Scandinavian area. Among others, he mentions a Hotel-class submarine which, with its three SS-N-5 missiles, has a range of 1,400 kilometers.

But the great majority of Soviet nuclear weapons in the immediate vicinity of the zone are land based. This involves between 871 and 1,042 short-range nuclear missiles. The exact figure depends on how one classifies the rockets and artillery that can be armed with either conventional or nuclear explosives.

The approximately 80 Soviet short-range nuclear weapons designated Frog-7, which have a range of 70 kilometers, are now being gradually replaced with the more modern SS-21 missile, which has a range of about 120 kilometers. The approximately 30 SS-12 missiles (range: 500 to 900 kilometers) will eventually be replaced with SS-22's, which have a range of 900 kilometers. The approximately 70 SS-1C's (range: 160 to 300 kilometers) will also be replaced gradually with the more modern SS-23, which has a range of 500 kilometers. But this modernization of the arsenal has barely gotten started.

Deployed in FRG

Lastly, on the NATO side, a total of 42 nuclear weapons would be affected by the demand for a withdrawal from the immediate vicinity of the proposed nuclear-free zone. They are deployed in Schleswig-Holstein. According to Ries, 6 of those are Lance missiles with a range of 110 kilometers, and 32 are nuclear-armed artillery pieces with a range of about 16 kilometers.

11798
CSO: 5200/2676

RECENT STUDIES OF NATO ALTERNATIVE STRATEGIES REVIEWED

Bonn DAS PARLAMENT in German 3 May 86 p 14

[Review by Marianne Wollenweber of three recent studies of NATO alternative strategies: "Europa bewahren. Anmerkungen zur NATO-Strategie. Mit einem Vorwort von Georg Leber." [Protecting Europe. Comments on NATO Strategy. Foreword by Georg Leber] by Harald Kujat, Verlag Mittler & Sohn, Herford 1985; 168 pp. "Verteidigung statt vernichten. Wege aus der atomaren Falle." [Defense instead of Annihilation. Ways out of the Nuclear Trap] by Joachim Wernicke/Ingrid Schoell, Koesel-Verlag, Munich 1985; 240 pp. "Atomwaffenfreie Zonen und Vertrauensbildung in Europa" [Nuclear-free Zones and Confidence Building in Europe] by Berthold Meyer, Campus Verlag, Frankfurt/Main, New York 1985; 151 pp.]

> [Excerpt] The profusion of literature on Western security policy and on alternative defense concepts at the present time can hardly still be taken in at a glance. After the debate on the NATO two-track decision, the scientific and political controversies were fueled anew through the American project of an antiballistic missile system in space. Can the nuclear deterrence concept guarantee Western security, and what role do the Europeans and the Federal Republic play within the framework of NATO strategy? What alternative concepts to end the nuclear arms race are there? Does the American SDI research program stand up to scientific and political scrutiny?

The security policy and strategic conceptions in the West and the East, with a view to the special position of Western Europe in the North Atlantic Alliance, have been summarized by the security expert Harald Kujat. In view of the fundamental conceptual questions and the structural problems within the alliance, the author pleads for a new orientation of NATO.

The role of the Federal Republic and the contribution of the Bundeswehr [federal armed forces] to Western defense are dealt with in a purely descriptive manner. The development of American nuclear strategy led to mutually assured destructive capacity as the essential prerequisite for the American-Soviet disarmament negotiations and the coming into being of the treaty on the limitation of strategic defense systems (ABM). Kujat explains the strategic defense initiative of the American President from the logic of this situation and gives it altogether a positive assessment. He pleads for a European contribution to the SDI Program from a purely strategic point of view. Unfortunately, he largely forgoes the formulation of the problem of the domestic political and ideological determinants that have led to this project.

In assessing the military strategy and force potential of the Soviet Union, he follows entirely the official NATO interpretation. Declarations by the Soviets renouncing the use of nuclear weapons have merely declamatory character, Kujat asserts, without taking into consideration the conditions of Soviet security policy from a historically justifiable feeling of being threatened.

On the other hand, he assesses NATO strategy as purely defensive. Although the NATO states, according to Kujat, viewed altogether, can rely on the political principle of deterrence, he nevertheless entertains doubts concerning whether the Europeans in the long run can rest content with the limited goal of protection against a war. Result: The attempt to sum up present NATO strategy in an easily understood manner surely is commendable, even if in essence it does not lead to new perceptions.

"How do you intend to protect us without destroying us?" This is the key question which dominates the popular, but very critical presentation of present security policy problems of the Federal Republic and NATO by Joachim Wernicke and Ingrid Schoell. The authors try to demonstrate that the deterrence concept of NATO and the American nuclear guarantee, if applied militarily, mean a guarantee of the destruction of Europe. The Federal Republic, they argue, has to bear the main burden of this "suicide defense", which in the meantime is being recognized in its danger not only by the broad population groups, but also by leading Western politicians.

In eight chapters, the authors sum up mainly the arguments of the peace movement, but in part also those of social democracy: They recount the development of nuclear deterrence since the end of the war and point out practical ways of changing the role of the Federal Republic in NATO; on this score, for example, they propose the prohibition of the stationing of nuclear weapons on German soil. They plead for the prevention of the Roger Plan, which, so they argue, merely helps to avoid the early use of nuclear weapons, and for the replacement of the nuclear balance of power model, which serves the dangerous self-propulsion mechanism of the arms race. Both authors, as against that, demand political and military stability through disarmament.

Special appreciation is merited by the sixth chapter, in which the authors not only reconstruct the debate over the stationing of medium-range missiles in the Federal Republic, but also explain competently, and nevertheless in terms comprehensible to the layman, the technical structure and the military operating breadth of the Pershing II missile. The difficulties of the SDI receive comparatively scanty treatment. In an in itself conclusive argumentation, Wernicke/Schoell, with reference to defense concepts presently being discussed, propose the withdrawal of all means of mass destruction from the Federal Republic and the conversion of NATO to a defensive, purely territorial defense.

In their critique of the contradictions of the Western nuclear strategy, the authors are able to base themselves on the evaluation of official sources, in particular U.S. documents. In an outstanding manner, the book unites scientific analyses with the endeavor to inform the average citizen about the development and present state of NATO strategy, without a raised finger.

Berthold Meyer, scientific associate at the Hessian Foundation for Peace and Conflict Research (HSFK), likewise attempts to point out alternatives to the nuclear constraints of Western security policy. The diverse actions of the peace movement, he argues, have for the first time led to a broad public discussion of security policy questions, which has made evident the lack of legitimacy of the NATO strategy of "flexible response".

In this context, Meyer proceeds from a lack of rational arguments in the debate on the concept of a nuclear-free zone. He subjects the concept to a comprehensive definition. To the minimum requirements--permanent absence of nuclear weapons in a clearly delimited, geographical area, recognized by international law--he adds the supplementary stipulation of permanent neutrality in the case of an unintended nuclear war, whereby a contribution to the limitation of damage is to be guaranteed.

In a critical stock-taking, the nuclear-free zones existing up to now and the multitude of currently discussed models for a regional denuclearization are presented. Meyer illuminates the domestic political and international outline conditions of their origin and points out their shortcomings, poor definitions and contradictions. The reexamination of the realizability of the specified proposals and the consideration of the scientific investigations of the inherent difficulties lead him to the conclusion that a nuclear-free zone can be created in Europe, an act which itself already is confidence building.

Meyer presents in general terms a scheme for a gradualistic strategy of confidence building, which is based on socio-psychological principles. He develops a scenario that--in the most favorable case--is supposed to lead to the removal of nuclear weapons in Central Europe. To be sure, the assumption is made that unilateral initiatives or joint agreements in their steps "can be observed and appraised by friend and foe."

In a comparison of the strategy of "flexible response", the renunciation of first use, and the concepts for nuclear-free zones, the author--correctly, in my view--comes to the following result: He advises the politicians and military officials of the Federal Republic and its NATO partners to examine, in an unbiased manner, the concepts for a nuclear-free corridor (the Palme proposal and its gradualistic model). With the retention of strategic deterrence, according to the author, these are relatively capable of producing a consensus, stable during crises, and detente-oriented. Their realization would make it possible "to shelve the tottering formula compromise on the conduct of war with tactical nuclear weapons and thus to increase the credibility of the alliance inwardly and outwardly."

8970
CSO: 3620/699

ARMED FORCES GROUPS PROTEST DEFENSE POLICIES, PAY

Eleven-Member Folketing Group Opposed

Copenhagen BERLINGSKE TIDENDE in Danish 22 Apr 86 p 12

[Text] The eleven-man Folketing group has had its day, according to the journal of the regular personnel employed by contract, STAMPERSONEL.

"Only a broadly put together defense commission can create a stable basis for Danish defense policy of the coming years," the Central Union for Contractually Employed Regular Personnel (CS) wrote in the latest issue of the journal STAMPERSONEL.

The journal says that the eleven-man group in the Folketing has had its day. It sharply criticizes the group's power to do as it likes with personnel figures, stationing plans, and supply acquisitions without consulting the parliamentary defense committee. The mess in recent years concerning the task and size of the defense forces must be stopped, the article says.

"The problem is that there are several points in the defense agreement that the politicians do not want to live up to," CS Chairman Finn Busse Jensen said. "Therefore the top leaders in defense cannot make the necessary decisions."

CS urges the Folketing to establish a defense commission that will have the possibility of gathering all the good forces and ideas from the Dyvig report on the defense command's long range plans for advice and analysis.

Officers Criticize Pay, Training

Copenhagen BERLINGSKE TIDENDE in Danish 22 Apr 86 p 12

[Article by Nils Eric Boesgaard: "Officers in Pay Action"]

[Text] Defense Minister Hans Engell rejects the officers' demand for higher pay and a relocation of draftee training: "There is no money in the middle of a budget period, and officers know they may be transferred."

Thirty officers in the Norrejyske Artillery Regiment in Skive are threatening to resign as a group if defense headquarters does not find more money for them.

The angry officers, who are from 24 to 37 years old, are particularly dissatisfied with the pay discrepancy they feel exists between military and civilian jobs. After a discussion with a representative of defense headquarters, they are now awaiting new developments before 7 May.

Similar problems have ravaged the Air Force, in which so many pilots have gradually left that it has become more and more difficult to maintain preparedness.

"As far as wages are concerned, we have no possibility in the middle of a budget period to give raises to a small group of specially selected people," Engell said in a comment on the officers' action.

"I have previously stated that there are some problems in the employment of a large group of officers, and this is something we intend to discuss in connection with coming agreements."

The officers are also complaining that draftee training is to be moved from Skive to Varde. This will mean that some of the officer corps must move with them, but according to their spokesman, Jan Heine Pedersen, only a very few have the means to change their place of residence.

To this the defense minister answers: "As far as moving the training place of the artillery draftees is concerned, every officer knows that he may have to change duty stations a few times in the course of his career."

Officers Threaten to Quit

Copenhagen BERLINGSKE TIDENDE in Danish 23 Apr 86 p 10

[Article by Nils Eric Boesgaard: "Transfer Will Cause a Loss of 100,000 Kroner"]

[Text] Thirty officers of the Norrejyske Artillery Regiment in Skive are awaiting a move by the defense command. If it is negative, they will seek civilian jobs.

First Lieutenant Jan Heine Petersen, spokesman for B-officers in the Norrejyske Artillery Regiment in Skive, says, "It will cost us 100,000 kroner per man if we move to Varde."

The unrest among the officers in Skive is the latest development in the economic and employment uncertainty that is at the moment plaguing the defense establishment. It has been seen especially in a devastating flight of pilots and technicians from the Air Force, but it has also caused many young officers in the other branches to become frustrated and to go over to civilian life.

The approximately 30 officers of the artillery regiment have acknowledged that no wage improvements are possible at present. Defense Minister Hans Engell said yesterday to BERLINGSKE TIDENDE that it was impossible to find money for them in the middle of a budget period.

"I receive a good 13,500 kroner a month after all the supplements are added in," Petersen told BERLINGSKE TIDENDE.

"Be that as it may, the real problem is the prospect that all the training of draftees will be moved to Varde from the summer of 1987 on.

"Of course we know the conditions, and we know that we must accept being transferred. But here we have quite an exceptional situation in which all the officers in the training unit of four batteries will be moved at one time.

"This will mean completely unacceptable human and economic problems for the regular personnel who will also move and whose families will also be caught up in the mess.

"Many will have to sell their houses in Skive. Prices are considerably higher in Varde, where the oil and natural gas industries around Esbjerg have driven costs so high that one can easily pay 100,000 kroner more than for an equivalent house in Skive.

"To be sure, we get a moving allowance, but this does not at all cover the expenses, and it is also taxed as income," Petersen added. He is now, together with his fellow officers, waiting for the defense command's next move.

"If it is not satisfactory, we will advertise our services to the private sector, where many people are interested in us and our abilities," he added.

Officer training is today very attractive to the private sector, both for the administrative ability of the A-officers and the technical qualifications of the B-officers. The following table shows what the defense department pays young officers in attractive ages groups in, for example, Skive:

A-Officers
(Line officers)

Newly appointed first lieutenant Wage frame 16.1	kr. 12,230 + kr. 746
Final pay for captain Wage frame 29.1	kr. 16,299 + kr. 1,060
Final pay for major Wage frame 31.3	kr. 17,891 + kr. 605

B-Officers
(Technicians)

Newly appointed first lieutenant Wage frame 9	kr. 11,719 + kr. 1,359
Final pay for captain Wage frame 24	kr. 15,735 + kr. 1,211
Final pay for major Wage frame 31	kr. 18,288 + kr. 605
Evening supplement (per hour)	kr. 7.97
Night supplement (per hour)	kr. 9.84
Saturday supplement (per hour)	kr. 16.68
Sunday supplement (per hour)	kr. 25.01
Twenty-four hour supplement (Service in 16 of the day's 24 hours)	kr. 305

9124
CSO: 3613/111

ALTENBURG SAID CONCERNED FOR FUTURE BUNDESWEHER DEFICIENCIES

Hamburg DER SPIEGEL in German 12 May 86 pp 63-65

[Unattributed article: "Limited in Time"]

[Text] The Bundeswehr has considerable problems with personnel and materiel planning, but there can be no discussion on solutions until the Bundestag election.

Inspector General Wolfgang Altenburg has a stock reply whenever he is asked how he pictures the Bundeswehr at the end of the century, in view of the lack of recruits and empty budget coffers: "I was given the job of planning up to 1995." If he had gone more in detail into his planning paper recently submitted to the parliament, it would have become all too clear that Manfred Woerner's previous promises that everything could go along as before, even in the 1990's, could no longer be kept. What Altenburg warns about with the following veiled allusions does not fit in with Woerners's picture of his Bundeswehr as the best of all armies:

- The Bundeswehr cannot maintain its authorized strength in the 1990's;

- the money for the ambitious procurement programs is lacking;

- the army's strike power leaves something to be desired.

According to current predictions, extending compulsory military service from 15 to 18 months -- passed by the Bundestag against the votes of the SPD and the Greens -- is not sufficient to continually keep 456,000 men under arms and call up 300,000 reservists every year for exercises. But Woerner and his partners still plan to do that. Altenburg says in his paper that a year after the 1988 elections it must already be decided "what measures are to be taken when in order to assure a required availability of personnel even in the second half of the 1990's." Otherwise there will be a lack of about 20,000 long-term personnel from 1995 on. For that reason, Altenburg is thinking not only of enlistment bonuses and transition allowances for volunteers, career management and protection against unemployment for those leaving the service, but also of the voluntary service of women in the Bundeswehr. But he is not allowed to say so. Federal Chancellor Helmut Kohl and the minister of defense have quite simply forbidden the military officers from talking out loud about female soldiers. "What kind of leadership style is that anyway, which tells the inspector general to refrain from thinking beyond 1995," SPD representative Horst Jungmann says indignantly.

The Christian Union is afraid of a new provocative topic in the Bundestag election campaign. According to analyses by the CDU campaign planners, the extension of compulsory military service to 18 months starting in 1989 has aroused considerable uneasiness and reluctance among young voters. Now they may have to be additionally saddled with trouble with young women. As it is, both groups did not exactly lean in a majority toward the CDU/CSU. Woerner, who had previously always claimed that his personnel planning was "realistic," had to admit that there were actually "risk factors, factors of uncertainty" in spite of the extension of compulsory military service. And the inspector general answered his generals' critical questions: "Should I pack my bags because of this?"

The minister of defense has also based his materiel planning on shaky ground. The prices for the big procurement projects are rising much more quickly than expected, as is evident from Altenburg's paper. The new fighter plane, the frigates, PT boats, submarines, antitank helicopters, bombs and rockets are getting more expensive from year to year and are getting to the military units much later than planned. Moreover, there are only "estimated costs" for a number of development and procurement projects, as Altenburg admits. The inspector general therefore submitted his plans in "constant prices." This means that inflation rates were not taken into account, since they could provoke "price rises." Even today, in 1985 prices, more than seven billion marks are lacking for the next 12 years, according to Altenburg's calculations. Thus, despite Minister of Finance Stoltenberg's economization plans, Woerner and his inspector general have to hope for more money in the coming years. Still, Stoltenberg believes that the defense budget should be increased only slightly: from 52.1 billion in 1987 to 55.3 billion in 1999. Altenburg said: "The outlined financial conditions for the 1987 Bundeswehr plan have "deteriorated noticeably in comparison with 1986."

Defense Minister Woerner has included only a few million marks so far for his latest project of billions, although he is at present propagating a European counterpart to US President Reagan's SDI star wars program at all NATO sessions. He is urging the alliance to develop and build an air defense system for Western Europe which can shoot down not only aircraft, but also short-range missiles and cruise missiles. Following the pattern of America's SDI, the program even has a name already: European Defense Initiative (EVI [EDI]). Of course money is only there for theoretical research. According to the inspector general, the initial plans "for the time being ... do not permit meeting additional requirements from big technology programs such as SDI or Eureka."

The Bundeswehr plan also for the first time clearly contains criticism of the defense ministry's materiel ventures and procurement officials: "Sometimes industry can not technically meet the ambitious goals, or not meet them on time; sometimes management cannot generate the pressure needed for speedy procurement because of its personnel staffing." Also, transfer of technology is obviously not going smoothly with the Americans in spite of assertions to the contrary. "In many cases ... the scope of action is limited by dependence on cooperation partners, especially on the USA." Even after concluding the SDI and technology agreement, the Pentagon is holding back necessary data for mutual production. Latest example: the production of the American-German Ram anti-missile missile, which is intended for protecting ships against missiles, cannot start until the 1990's at the earliest.

In his Bundeswehr plan, which is currently circulating in 116 copies in the ministry of defense, the inspector general also criticizes the quality of the Bundeswehr. The inspector general says in his assessment that the NATO commander in chief has "high expectations with regard to further rises in performance of the Bundeswehr," but that there is still "doubt" in the alliance whether the goals can even be attained. Altenburg's plan furthermore notes that the "accomplishment of the mission" is still "impaired by numerous deficiencies:"

- The command capability of the armed forces remains limited in spite of modern information systems and means of coomunication.

- The capabilities for gathering intelligence are inadequate; a prompt "location and engagement" of the Warsaw Pact's second echelon is therefore not possible.

- In spite of considerable improvements in stockpiling ammunition, there are still "considerable gaps" in modern shells, bombs and rockets.

- The protection of bases, airfields, antiaircraft batteries, command posts, communication installations and supply depots against air attack is inadequate.

- The ability to combat cruise missiles and rockets will be attained "in initial stages" at the start of the next century at the earliest.

Moreover, because of a lack of soldiers, the Bundeswehr cannot help but reorganize and reduce the divisions, corps and territorial army in the coming years. A "substantial strengthening of the army's conventional defense capability" will not be attained; but it would be needed if the dependence on nuclear arms is to be lessened. "Nuclear weapons," Altenburg lectures, are "political weapons." A nuclear war should not arise "from battlefield emergencies." But the military men are far removed from this goal in spite of the programs of billions for conventional armament in the past 15 years.

The inspector general deems that the Bundeswehr could still fulfill its mission in peace and crisis "in spite of personnel weeknesses already existing now." Altenburg, who is going to Brussels on 1 October as chairman of the NATO Military Committee and thus becomes the highest-ranking soldier of the alliance, says that "the German armed forces will be able to fulfill their mission in war with the above-mentioned limitations in a manner limited in time."

13084
CSO: 3620/698

EFFORTS TO REPAIR ELECTRONIC WARFARE DEFICIENCIES URGED

Rotterdam NRC HANDELSBLAD in Dutch 18 Apr 86 p 2

[Article by Dick van der Aart: "Electronic Warfare--Shooting back by Radio. For Right Now the Netherlands Must Repair Serious Deficiencies in the Battle with Jammers"]

[Text] Rotterdam, 18 Apr--The Americans call it "EW, electronic warfare," the Soviets "radio-elektronnaya bor'ba," and the Netherlands armed forces "EOV, elektronische oorlogvoering." Different names for the same task: to irritate and block the enemy by listening to his radio communications and disrupting them where it can be useful.

It has just been announced that the Army will be permitted to acquire 660 million guilders worth of equipment so that it too will be able to fight in the mysterious area of electronic combat.

This is supposed to permit the Netherlands to repair serious deficiencies in the next 10 years. The British and the Germans, with whom the Netherlands I Corps is to defend a good piece of the Federal Republic of Germany, have had operational EW capabilities for years. On the other side of the border the Group of Soviet Forces in the GDR possesses an arsenal of equipment with which to make things as difficult as possible for the NATO units in the North German Plain.

For the Soviets, radio-electronic warfare is completely integrated into their military attack doctrines. The Pentagon in Washington assumes, at least according to published reports, that at least one third of all NATO communications equipment can be rendered useless by jamming in case of a Soviet attack. The rest is high on the list of priorities for physical attack, as by missiles and tactical aircraft.

In land warfare radio traffic plays a particularly dominant role. The ability to locate the enemy's communications channels or--better yet--to listen in on them can provide a wealth of information. It is not always necessary to decipher encoded reports to accomplish this--although of course stubborn attempts are made to do that. Just locating the transmitter and determining the kind of conversation (between what command levels) can give a good indication of an enemy unit's plans.

Intentions

The number of reports from a given transmitter, however little is known about the source, can be analyzed (traffic analysis) to give some idea of a force's intentions. A sudden large increase in radio traffic in the enemy area, for instance, is a clear indication that something is about to happen or that something unexpected has happened.

The Army has its own receiver station in the area of Eibergen to listen in constantly on radio communications in East Germany, Poland, and Czechoslovakia. From the end of 1988 this listening center will also house the standing EW company that is to be set up in I Corps.

This colocation is undoubtedly inspired by the desire to share with the newcomers the experience already acquired in communications intelligence (comint). What the tall antenna masts near the German border pluck out of the ether is analysed in modern computers and that provides a wealth of data. Of course the results of this eavesdropping are kept strictly secret.

Among the data stored in the computers and quickly available for comparison with new signals are the call signs of army units or operations and the peculiarities of individual radiotelegraphers. Each individual signalman can be recognized by his hand. Given that, it is possible, for instance, to determine that a given Soviet telegrapher has been sharing his unhappiness with a vodka bottle or--more importantly--that he has been transferred with his unit to a new, hitherto unknown location.

Electronic warfare is not just passive. The enemy's traffic can be disrupted to sow confusion or prevent combat operations. A difficult tactic known as long ago as World War II is to force one's way into the enemy radio systems and give misleading reports to the enemy's troops. All countermeasures have to be very well coordinated with one's own troops because otherwise the intentionally created confusion can boomerang. The primary goal of EW is to disrupt the enemy's command and control system and to protect and keep intact one's own as far as possible.

At the end of this year the Netherlands plans to place a first order for 360 million guilders worth of radio surveillance equipment and advanced jammers, which are to be installed in Army vehicles. Later stages of the EW project, which runs to 1994, will see the acquisition of equipment to locate and jam the enemy's field combat radars.

The Soviet armed forces have acquired extensive experience in radio-electronic warfare. From open sources, it is known that the Soviet Army has special units equipped with vehicles and helicopters to listen in on, locate, jam, and deceive NATO radio communications and radar equipment. In exercises Soviet troops and Warsaw Pact armed forces devote a great deal of attention to the use of electronic equipment, often in cooperation with special aircraft equipped with powerful jammers.

Of all NATO armed forces, the Americans are the leaders in electronic warfare. Besides direction-finding stations and jammers on the ground, the American military in Germany also has airborne systems. Guardrail V is the codename for the automated, airborne eavesdropping systems of the military intelligence battalions in Ramstein and Wiesbaden. Intercepted signals are forwarded almost instantaneously to analysis centers on the ground. Quick Fix is the codename for a helicopter with jammers and Quick Look describes two-engine aircraft used to detect enemy radar systems.

The Netherlands armed forces will never be able to afford the millions for these systems. 660 million guilders is a massive sum but it is not possible to acquire more than the basic equipment with it. An additional financial handicap for a small country is the lack of coordination in this area. Within NATO there is not a great deal of cooperation in the area of electronic warfare. Each country, ally or not, prefers to keep its activities and progress in this area secret. Defense State Secretary Van Houwelingen notes in his situation report that he would like to come to some agreements with the Federal Republic of Germany because the armed forces of the two countries operate alongside one another in the North German Plain. That may well be why two of the three firms selected to provide the Netherlands with the knowledge it needs are from Germany: Rohde & Schwarz in Munich and AEG in Frankfurt, two famous firms in the field of military radio equipment. The third candidate for the Netherlands order, the California branch of GTE, has been making jammers for years for the U.S. Army in Germany. All of these companies and their many competitors have one thing in common: in their advertisements they heartily support the military's position that an electronic barrage from the ether works on the enemy's nerves faster than a salvo from the best cannon.

12593
CSO: 3614/98

SPECULATION MINISUB MAY HAVE CUT SEA BOTTOM CABLE

Oslo KLASSEKAMPEN in Norwegian 1 Apr 86 p 2

[Article by Kirsten Karlsen]

[Text] Did a foreign underwater vessel cut the TV cable at the Brevik traffic control center in Frier Fjord on 7 February? The police and the navy have not ruled out this possibility. The cuts in the cable at 4 1/2 cm intervals could be the traces of an underwater vessel running on treads. But no other traces were found on the ocean floor. And there were no surface vessels in the fjord when the TV picture disappeared.

"We are not hiding the fact that we considered the possibility of an underwater vessel. But so far we have not found anything to prove it," said police chief Tom As Andersen of Porsgrunn.

"Our opinion is that it is unlikely that a submarine would risk entering Frier Fjord, where the current is very strong. The most likely explanation is that a boat's grapnel got caught in the cable. But these days one can't rule out anything. Most Norwegian fjords are of some interest to foreign powers," said Captain Tor Toftheim of the Horten Naval Command.

Toftheim confirmed that the military had sent frogmen down in Frier Fjord and was continuing to keep an eye on the case.

It was between 0400 and 0430 hours on 7 February that the TV picture at the traffic center at Brevikbrua disappeared. The traffic center uses a TV camera to supervise movements in the fjord. The cable, which lies on the bottom of Frier Fjord off Stromtangen, has been there undisturbed for 6 or 7 years.

Break

It was not until a week after the TV picture disappeared that the traffic control center sent divers down to look at the cable. It turned out that the cable, which has a breaking strength of 10 tons, had been broken. The break occurred at a depth of 27 meters where the cable is 50-60 meters from shore.

In several places the cable had been pressed flat. The protective plastic covering was partly torn off and cut in some spots. The damage suggests a sharp object. Perhaps the most interesting discovery was cuts at intervals of 4-5 cm on the cable. These could be traces of a vessel running on treads. If a submarine was involved, it was an intruder.

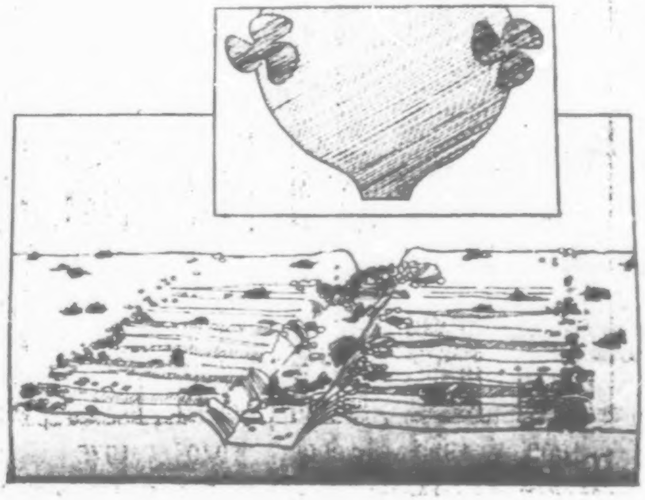
Navy Frogmen

That is why three navy frogmen were sent down to the place where the cable was broken several weeks ago. But aside from the cuts on the cable, they found nothing to confirm their suspicions. There were no tracks on the ocean floor around the cable.

No Boats

The police wonder if the cable could have been torn up by a propeller. But the cable lies on the bottom and would have to have been pulled up by a hawser. And a nylon hawser was found floating on the surface above the location of the break. The hawser could have come from a ship that dragged the cable in some way until it broke. The problem with this theory is that there were no vessels in the area when the TV picture disappeared.

A grapnel was also found on the bottom near the location of the break. But it was old and had been lying there for a long time.



This illustration accompanied the Swedish submarine report issued in the spring of 1983 and shows the tracks left by a minisubmarine on the ocean floor.

Unexplained

"We are faced with an unexplained break. We have no concrete facts that would support one theory over another. We have no explanation that seems overwhelmingly probable," said police chief Tom As Andersen.

Over the Easter holiday the cable will be taken up for repairs. At that time navy frogmen will go down again and try to find traces of this mysterious cable break.

6578
CSO: 3639/102

AIR FORCE PILOTS DISCUSS REASONS FOR LEAVING SERVICE

Stockholm SVENSKA DAGBLADET in Swedish 3 Apr 86 p 6

[Article by Omar Magnergard: "Job Restrictions for Military Pilots Must Go"]

[Text] Jan-Olov Gisselson, 34, is a captain and acting chief of the reconnaissance division of the Bravalla air wing in Norrkoping. At the end of the year he and 40 other pilots will leave the air force. Another 60 have requested leaves of absence.

Why?

"I am thinking of my future. I would rather be sitting in a cockpit than behind a desk 6 years from now," Jan-Olov replied. "And I want a settled life for myself and my family."

During his career as a pilot he has been stationed in Ljungbyhed, Uppsala, Lulea and Soderhamn.

Now Jan-Olov and his wife Kerstin have acquired two children and a house in Norrkoping. If they move again it will be to the Arlanda area.

Double Pay

Jan-Olov Gisselson has had two job interviews with Linjeflyg. A pilot working for that company gets about twice what a Viggen pilot is paid.

"But I am not sure I will get the job--even though I will be out of work in 1987. SAS, Linjeflyg and the other civilian airlines can hire no more than 10 former air force pilots next year. That is contained in a government directive in the budget bill. (In 1985-86 civilian airlines were allowed to take a maximum of 25 pilots from the air force.)

Jan-Olov Gisselson sees the government guideline as a job restriction. Flying is his life. He wants to continue flying after he is unable to do so as a combat pilot. Military pilots are given ground duties when they reach 40-45. Pilots flying for civilian airlines can fly until they are between 55 and 60 if they stay in shape.

An air force pilot in his thirties earns around 13,000 kronor a month--including flight pay and other supplements. An SAS pilot in the same age group earns 20-25,000 kronor.

To keep pilots in the air force, former Defense Minister Anders Thunborg proposed a bonus system last summer. The bonus is paid at the age of 38 and the maximum is 15 times base pay, 345,000 kronor.

Jan-Olov meets the requirements for the highest bonus and has 4 years to go before he is eligible for it.

"The bonus is added onto one's pay and is taxed. That means that I might have 100,000 kronor left out of the grand offer. No, the bonus doesn't tempt me. And as I said--it's not just a question of pay. Working conditions, satisfaction and future prospects are just as important."

It costs society 10 million kronor to turn a raw youngster into a confident, top-level Viggen pilot

Losing 20 Percent

The air force staff and the Defense Ministry are very concerned today. If all 100 pilots follow through it means the air force will be losing around one out of every five pilots.

"The situation is extremely serious," according to Lieutenant Colonel Bo Hellstrom of the air force staff. "The best thing that could happen now would be to give pilots a free job market again. What is regarded as a job restriction has led to a lot of dissatisfaction."

Some people in the air force staff and the Defense Ministry will view the resignations and leaves as a source of heavy pressure. Wage negotiations have been under way with the Contract Board since the beginning of the year.

One of the pilots' demands is the elimination of the "job restrictions." Another is a pay increase of around 25 percent.

All agree that the air force can't really afford to lose another pilot. The military is still suffering from the effects of the big defections to civilian airlines in the early 1980's.

Jan-Olov Gisselson feels the authorities did not put their house in order in time and that it is their own fault that they are now in a bind. And what would he do if he were Roine Carlsson?

"I would start competing with the job market that is stealing the air force pilots, using democratic methods."

6578
CSO: 3650/183

NEW BANK OFFICE IN PEKING OFFERS SUPPORT TO FRG BUSINESSES

Duesseldorf HANDELSBLATT in German 8 Apr 86 p 8

[Article by fk: "Beijing Appreciates Willingness to Transfer Technology"]

> [Text] The West German Landesbank, Duesseldorf, is the first Landesbank and the fifth German credit institute to open an office in Beijing. Chairman of the board Friedel Neuber, and the chairman of the WestLB advisory board, North Rhine Westphalia's Economics Minister Reimut Jochimsen, stressed in Beijing that the reform course of the People's Republic in the medium-term opened up promising prospects, especially for smaller enterprises.

In taking this step, the West German Landesbank (WestLB) followed three large German commercial banks and by a few days, lost out to the Bayerische Vereinsbank for fourth place. How far-flung and international the interest of large banking establishments is in the opening Chinese economy is shown by the number of bank offices in Beijing, which has grown to 73. The banking corridor in the Jianguo Hotel has already been nicknamed Little Wall Street. Klaus R. Schroeder (until now branch manager in New York) is in charge of the WestLB office in Beijing, where the opening ceremony in the "Great Hall of the People" was attended by more than 500 high-ranking Chinese guests.

Within the framework of the seventh 5-year plan (1986-1990) which will shortly come into force, the WestLB no longer expects a trade expansion as explosive as during the past 5 years. In 1985, German exports jumped by 116 percent to DM 6.4 billion (imports rose by 5.8 percent to DM 2.5 billion). In the over-all Chinese foreign trade balance a $ 14.9 billion gap appeared, so the Beijing economic planners want to steer a consolidation course over the next 2 years. But the WestLB leadership and local German economic representatives are agreed that opportunites remain high, particularly for the FRG economy.

The major reason for this is that German companies in their activities are much more willing to accept a combination of trade transactions and technology transfer than Japanese enterprises, whose strong preponderance is disliked by the Chinese economic technocracy. According to Jochimsen, there exist at present over 400 cooperation agreements, ranging from production with German supervision and production under licence to true joint ventures. The trade promotion office established in Beijing in 1985 lists a total of 13 such German-Chinese joint ventures (above all the Shanghai Volkswagen Automotive Co. Ltd.); about sixty are being negotiated at present; 60 German enterprises have representations in Beijing.

The acquisition efforts of WestLB in China, beyond foreign trade and project financing, are directed at international financing for Chinese firms. As long as the bank could only operate out of the Duesseldorf central office and the Hongkong branch, it was not permitted to carry out the latter transactions. Chairman of the board Neuber indicated in Beijing that, after the two DM loans already negotiated by China, a third DM capital procurement measure is expected in 1986, in which the Landesbank is preparing to play a major role in the consortium. It was learned that China is preparing to take up a foreign currency loan of $ 1.7 billion net in 1986, despite the interposed consolidation phase.

On the occasion of the opening ceremony it was stated that WestLB--which, according to Neuber, also assumes many tasks for other state banks--"has begun concrete negotiations on loans of considerable amounts." The WestLB in China banks especially on cooperation with the Chinese Industrial Commercial Bank (ICB) which, "like savings banks," specializes in commercial development and, according to its own statements, has over 20,000 branch offices and 200 million savings accounts. In the FRG, WestLB's expansion to Beijing is to be complemented by the establishment of an advisory service for the bank's clients, and for savings banks in North Rhine-Westphalia in particular.

Evidently, the Chinese place particular importance on cooperation with smaller enterprises in further economic development. However, North Rhine-Westphalian economics minister Jochimsen had to admit in Beijing that the smaller enterprises being courted right now may be surprised in particular by changes in Chinese development policy goals. Those are undeniable risks, despite all support for entrepreneurs willing to cooperate. But like the East Committee of German Industry, Jochimson rules out a wave of contract cancellations as in 1980-1981.

9917
CSO: 3620/670

SIGNIFICANT RISE IN JANUARY 1986 EXPORTS

Athens I KATHIMERINI in Greek 22 Apr 86 p 11

/Text/ There was a sharp 10.5 percent rise in the value of exports (in dollars) in January 1986 compared to January 1985. As noted in the monthly bulletin of the Exports Research and Studies Center (KEEM), exports of agricultural products did much better than exports of industrial goods.

More specifically, in January 1986, exports amounted to 466 million dollars compared to 421 million in January 1985. This increase becomes significantly greater if the value of exported petroleum products is not computed (+16.6 percent).

The following developments are observed from the KEEM statistical data:

The increase in exports in January 1986 compared to January 1985 is due to the spectacular increase in the export of "chemical items" (+54 percent), "foodstuffs and live animals" (+43 percent), "transport machines and materiel" (+34 percent), "miscellaneous industrial items" (+30 percent) and to the smaller increase of "vegetable and animal oils and fats" (+12 percent) and "industrial goods classifed as raw materials." On the other hand, there was a decrease in the export of "mineral fuels and lubricants" (-46 percent), "raw materials" (-18 percent) and "spirits and tobacco" (-9 percent).

As for the geographical distribution of exports in January 1986 compared to January 1985, a spectacular increase was noted to EEC member countries (+23 percent) and to socialist countries (+59 percent). More specifically, exports to EEC member countries is due primarily to an increase of exports to West Germany (+34 percent) and Italy (+42.4 percent) and secondly to Spain's and Portugal's entry into the EEC. (Exports to these latter two countries amounted to 5.3 million dollars in January and represented 1.1 percent of the overall exports during the month).

Thus, an increase in the concentration of Greek exports to a given geographic area, namely the EEC, has been observed (57.1 percent of the overall exports compared to 51.3 percent last year) to the detriment of the EFTA and "other OECD countries" where Spain and Portugal were previously listed. Moreover, the increase of exports to socialist countries is due to an increase to COMECON countries (Bulgaria, Romania, East Germany and the USSR) as well as to non-COMECON countries (China and Yugoslavia). On the other hand, there was a drop in exports to the countries of South America (-18 percent), Middle East and North Africa (-10 percent) and to the other OECD countries, while exports to EFTA countries became almost stationary.

5671
CSO: 3521/136

REDUCTION IN CURRENT ACCOUNTS BALANCE DEFICIT

Athens I KATHIMERINI in Greek 23 Apr 86 p 11

/Text/ During the first 2 months of 1986, the current accounts balance deficit dropped to 488 million dollars compared to 737 million dollars during the same period last year, i.e. it dropped by 33.8 percent. Calculated in ECUs /European Currency Units/, the deficit decreased by 44.7 percent. The above Bank of Greece statistics were made public yesterday by Minister of National Economy K. Simitis who stressed, "We are moving within the context of our goals."

The minister said that February was the month when developments showed positive elements and that that was the result of the implementation of the economic stabilization policy. Of course, he added, in order to have a complete picture there must be time and also data would have to be collected for several months. Already, however, the 2-month data are encouraging and, besides, it must be kept in mind that the first months of the year are among the worst, while the balance is seasonally improved during the summer.

Mr Simitis stressed that the measures have already begun to yield results and that statistics prove this.

More specifically and according to statistical data provided by the Bank of Greece, the following occured in February:

- The current accounts balance deficit dropped to 243 million dollars compared to 323 million dollars during the same month last year. This overall drop is due to the drop in the foreign trade balance deficit.

- Imports, not including fuel, amounted to 541 million dollars compared to 522 million dollars in February 1985, i.e. they increased by 3.6 percent.

- Exports, not including fuel, amounted to 284 million dollars compared to 224 million last year, i.e. they showed a 26.8 percent increase.

Mr Simitis added, however, that if the calculations are made in ECUs, then we have a decrease in imports by 23.8 percent, a drop in exports by 7 percent and a decrease in the foreign trade balance deficit by 38.6 percent.

More specifically and in accordance with statistical data of the Bank of Greece, the balance during the 2 month period, January-February, in the last 3 years was as follows:

	1984	1985	1986
Imports	1,724	1,726	1,642
Exports	747	661	700
Trade Balance	-977	-1,065	-942
Invisible resources	645	625	785
Invisible payments	295	297	331
Balance	350	328	454
Current accounts balance	627	737	488
Movement of capital	684	726	649

In the meantime, there was a sharp drop in the influx of private capital. It dropped to 113 million dollars compared to 303 million last year.

As for currency assets, there were 2,042 million dollars at the end of February compared to 1,045 million last year. The increase is due to the readjustment, on the basis of 65 percent of the average market prices, and of the value of the assets in gold.

5671
CSO: 3521/136

INDUSTRIAL PRODUCTION CONTINUES TO RISE

Athens I KATHIMERINI in Greek 8 May 86 p 11

/Text/ Through the perseverence of the austerity measures industrial production rose for the fifth consecutive month. As indicated by the Statistical Service, the industrial production indicator showed a 8.4 percent increase in February compared to the corresponding month of last year. The rise is attributed to an increase in demand by consumers that was manifested immediately after the stabilization measures of October 1985 and that led to a reduction in industrial reserves.

Specifically, the Statistical Service announced the following:

The industry, mines and municipal electricity and gas production indicator for February 1986, compared to February 1985, was as follows:

1. The industry, mines and municipal electricity and gas production general indicator showed a rise of 6.2 percent.

2. The mines production indicator showed a drop of 6.6 percent.

The movement of this particular indicator was influenced by the corresponding (falling) movement of the composite sulfides --barium sulfates, bauxite and magnesite, as well as the ores --nickel and lignite, indicators, despite the contrary (rising) movement of the quarry, construction materiel, chrome ore and manganese indicators.

3. The industrial production indicator showed an increase of 8.4 percent.

4. The municipal electricity and gas production indicator showed a drop of 2.4 percent.

More specifically, the electricity production indicator (quantitative unweighted indicator) showed a drop pf 2.4 percent.

Moreover, the average movement of the above indicators during the 2-month period January--February 1986, compared to the corresponding period of 1985, was as follows:

1. The industry, mines and municipal electricity and gas production indicator showed an increase of 5.5 percent.

2. The quarries production indicator showed an increase of 3.2 percent.

3. The industrial production indicator showed an increase of 7.1 percent.

4. The municipal electricity and gas production indicator showed a drop of 2.6 percent.

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CSO: 3521/143

BRIEFS

PRODUCTIVITY RISES--According to an announcement yesterday by the National Statistical Service of Greece, the general production index for mines, industry and electricity increased by 3.7 percent in January 1986 compared to the corresponding month in 1985. The index developments in each sector were as follows: the mines production index increased by 14.5 percent. The development of this index was affected by the corresponding (upward) development of the indices for lignite, quarries, construction materials, bauxite and chromium-magnesium ores, etc., despite the drop in the indices for magnesite, mixed sulphides, barium sulphate and iron-nickel ores. The industry production index increased by 3.7 percent and its development was affected by the (upward) development of the indices for metal minerals, basic metallurgical products, textile products, shoe and wear apparel items, electric machines/appliances, etc., paper, various industries of metallurgical products and coal-oil byproducts despite the (downward) development of the indices for foodstuffs, beverages, transportation means, plastic and rubber products, printing, lumber, leather, chemical products and furniture. The gas-electric production index shows a drop by 2.9 percent. More specifically, the electric production index (incalculable quantitative index) shows a decrease by 3.0 percent. [Text] [Athens I KATHIMERINI in Greek 10 Apr 86 p 11] 7520

CSO: 3521/134

BUSINESS LEADERS SEE RISK IN OVERHEATED STOCK MARKET

Stockholm DAGENS NYHETER in Swedish 13 Apr 86 p 10

[Article by Jan Wifstrand]

[Text] Cautiously optimistic, convinced of a long-term upswing and at the same time somewhat nervous--that is how one could describe a majority of stock market observers just now.

But there may be divided opinions as to whether the strong upward trend on the stock market is a good thing in the broader perspective.

"It is not really very good when an upturn is as strong as it has been lately," said Bengt Jerand, managing director of the Sodra wage-earners' fund. "It increases the risk of a strong negative reaction.

"The market seems to have already discounted a further decline in interest rates. And oil prices are not a stable factor on which to base expectations. I do believe in a long-term rising stock market, but the trend is certain to level off compared with recent developments."

Roland Spant, chief analyst for the Central Organization of Salaried Employees [TCO] who has studied the stock market from several more long-range angles, views the development from the outside, as a nonparticipant:

Big Fluctuations

"Not much research has been done into the consequences of stock market fluctuations," he said. "But personally I do not think that overreactions, big changes that only benefit speculatively-inclined investors, are a good thing. People who are not rich but rely heavily on the savings they are prepared to invest can hardly take a chance on participating when the fluctuations are so large."

This caution also seems to be reflected by leading actors on the stock exchange. Stock Investment president Lars-Erik Forsgardh strongly emphasized the importance of spreading the risks.

"There is every reason to be a little cautious now, because there is a real risk that people might pay too much for stocks. But this does not mean they should not buy any. It just means they should purchase them on various occasions."

Stock Investment is now stressing a campaign to improve tax conditions. It will probably wholeheartedly encourage the work of the present capital gains committee.

Could Go Up

"We want a reduction of the tax on real profits, but we are concerned about new breaches of the government's promise not to increase the tax burden on stocks as a form of savings," said Forsgardh.

Gunnar Ekdahl, president of the Hevea investment company, is more optimistic. Perhaps this is not surprising--Hevea became the biggest owner of the Trelleborg rubber company in November, the company that did the best on the stock exchange during the recent upswing (see table below).

"At the beginning of the year I thought the stock market would go up 35 percent," said Gunnar Ekdahl. "Now I think there could be a further upturn of 20-25 percent.

"If one looks at the different factors behind the development to date, the contract agreement reached last week is significant. Two-year contracts are very important for companies and for the stock market. Constant negotiations create uncertainty."

Median Value

There are several ways of describing the recent stock market upswing. Here are some statistics selected at random that further illustrate the development:

The shift in the trend occurred at the end of August. The really strong upturn began in mid-October. Therefore DAGENS NYHETER selected a 6-month perspective starting on 10 October 1985.

Since that time the AFFARSVARLDEN index has risen by 65 percent.

The median value, in other words the value that does not take into account how much weight stocks have in the index, went up 38 percent. The difference provides numerical proof that the heavily-weighted companies have outpaced the rest. Electrolux and Volvo, for example, were among the companies making the biggest gains.

Look at the table of individual winners during this period. Trelleborg heads the list with an increase of 159 percent in half a year. Among the 15 best performers were five banks, a sector that benefited greatly from the declining interest rates. And in the top group we also find Fermenta's unrestricted

B stocks which went up 98 percent in this period, despite a 34 percent drop at the beginning of the year with the doctors' hat business and everything. And Fermenta's restricted stocks were not far behind--up 78 percent since October.

What the table does not show is which stocks declined in the same period. Actually very few companies experienced declines in this time frame. Aside from over-the-counter stocks, which did not do quite as well, only about 10 firms declined (several of them companies that are moving away from stock exchange listing following purchase). Forsinvest and Barkman came in last and Boliden was also a loser, but only by a few percentage points.

Finally some figures on market rating. The rising market could be a new incentive for wage earners to concentrate on other things besides big stock purchases, which are getting to be too expensive.

The periodical AFFARSVARLDEN's latest investment indicators show that the market rated the substance of listed companies, in other words net capital that has been adjusted for both open and hidden reserves, at 123 percent. On 11 October the rating was 85 percent.

On average stock prices today are 14 times projected company profits per share for the stock exchange as a whole. On 11 October the ratio was 10. (The profits used as a basis for the figure 14 are "mixed," in other words they are partly predictions for this year but in the case of some companies they are actual profits for 1985.)

Table 1. Stock Market Winners in the Last 6 Months

1.	Trelleborg	B Restricted	+159%
2.	PK Bank	Restricted	+131%
3.	Hennes & Mauritz	B Unrestricted	+117%
4.	Export-Invest	B	+115%
5.	Volvo	B Restricted	+112%
6.	Gotland Rederi	B	+111%
7.	Electrolux	B Unrestricted	+110%
8.	Atlas Copco	Unrestricted	+104%
9.	SHB	Restricted	+101%
10.	Fermenta	B Unrestricted	+ 98%
	Gotabanken	Restricted	+ 98%
12.	Skanska Bank	Restricted	+ 97%
	Hexa Trade	B	+ 97%
14.	S-E Bank	A Restricted	+ 95%
15.	Skandia	Unrestricted	+ 93%

These are the winners on the stock market in the period from 10 October to 11 April. Only one type of stock per company is included on the list. (Otherwise Providentia's other types of stock would also be included.) Unofficially-listed and over-the-counter stocks are not included.

6578
CSO: 3650/183

SAVINGS FROM PRIVATE HOUSEHOLDS BEHIND STOCK BOOM

Stockholm DAGENS NYHETER in Swedish 13 Apr 86 p 10

[Article by Jan Wifstrand]

[Text] Households are doubling their new stock investments this year!

And so far this year foreign investors have made net purchases of Swedish stocks worth around 2 billion kronor.

These are some of the factors behind the impressive boom on the Stockholm Stock Exchange. Or, to be more exact, they provide some additional technical reasons that are needed to explain the present high rating of listed stocks.

Obviously the stock market climb in the last half year to a new historic high (set this week) is due to the fact that almost everything went in the right direction--interest rates and oil prices down, leading to a drop in inflation. And most recently a labor conflict has been avoided. Another disturbing factor that influences stock investors has been eliminated. The 2-year contract period has been a special cause for enthusiasm.

But Swedish households and foreign investors are behind the big new demand for stocks. With regard to the first group it is already clear that investments in 1986 will be very large.

Savings on the Rise

It is mutual funds that are heading for record figures that people in the Finance Ministry had hardly anticipated. According to AKTIEFRAMJANDET's new estimates the extra 5,000 kronor investment has a net effect of 825 million kronor.

But that is not all--ordinary monthsly savings are being increased by around 500 million kronor. A great many "5,000-kronor investors" are first-time investors, new additions to the mutual funds. The current number of accounts in these funds is estimated at 600,000, an increase of 97,000 compared to last year.

This figure is so high that it actually caused AKTIEFRAMJANDET to exclaim "Great!" in a letter to Finance Ministry Undersecretary Erik Asbrink, a man not usually idolized in stock market circles.

This is how AKTIEFRAMJANDET arrived at its figures:

Extra investments in January/February totaled around 900 million. To this was added 600 million, a substantiated forecast for March, giving a total of 1.5 billion kronor.

From this was subtracted the amount that would have been saved anyway without extra stimulating measures, around 275 million, plus around 400 million, the estimated withdrawal from the old public tax fund savings plans. This left a net effect of 825 million kronor.

To this figure was then added 500 million, the monthly increase, for a total new influx to mutual funds of around 1.3 billion kronor this year. Total mutual fund savings last year amounted to 1.5 billion. In other words there will be an almost 90 percent increase this year, according to AKTIEFRAMJANDET's forecast.

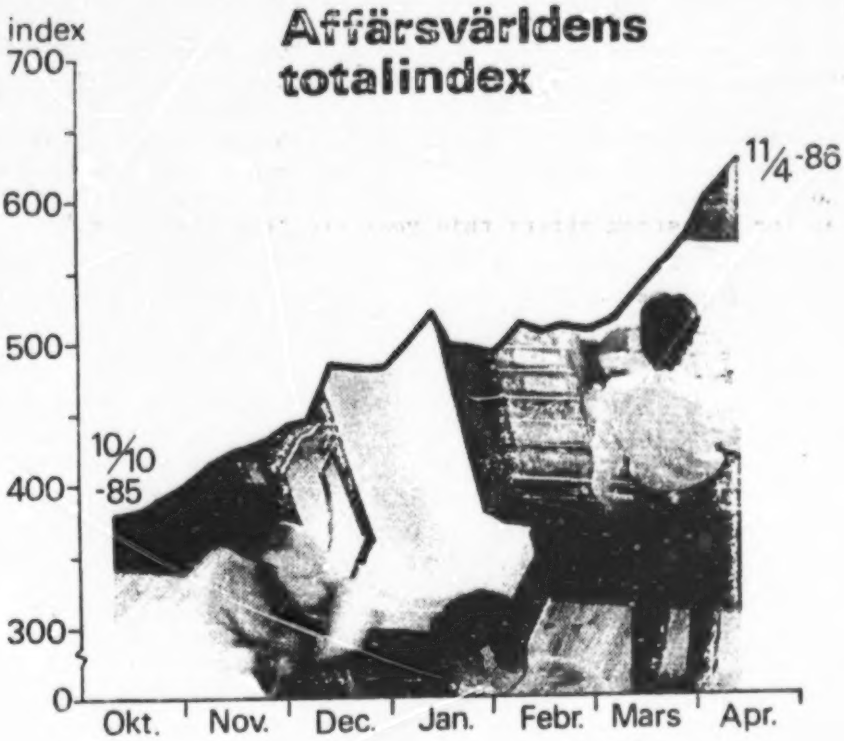
Taxes Alarming

The strength of mutual funds is something that will continue throughout the year, while there is greater uncertainty about the future behavior of foreign investors. Judging from the very gloomy predictions about the impact of higher sales taxes after 1 July, the prospects are not good. Critics charge that higher transaction costs will scare off foreigners. To what extent remains to be seen.

The roughly 2 billion kronor in estimated net exports to date (1.6 billion for January/February) must be compared with the record of 4.8 billion kronor for 1985 as a whole.

Thus the figures for both mutual funds and foreign investments are much higher than they have been in past years. In addition it has been stressed several times that wage-earner funds, insurance companies and others are very active and will probably continue to be so. There is a widespread expectation that interest rates will drop further and oil prices, currency exchange rate fluctuations and the new labor contracts seem to be creating new hopes for high company profits.

Therefore a good many observers are looking at the recent stock boom, shaking their heads in amazement--and predicting further advances (!), although in the next breath they warn small investors against investing too one-sidedly or too heavily.



AFFARSVARLDEN's Total Index

Last Wednesday the Stockholm Stock Exchange set an all-time record, 629.1 on the AFFARSVARLDEN index. Total market value now stands at around 400 billion kronor. Six months ago the figure was 242 billion.

Working on Plans

What is available?

Brokers on the stock exchange are increasingly falling back on the strange expression, "shortage of materials." Of course stocks can always be found for people who pay well, but the phrase indicates the pressure exerted by demand.

Decisions to issue new stock offers have been conspicuous by their absence so far this year. But historically there is a connection. Financial leaders look at market trends. Several are undoubtedly working on new stock offer plans now in order to take advantage of the market upturn.

A few new offers have been made to date--the really "big deal" may be the Electrolux stock offer, which will probably be conducted abroad.

AKTIEFRAMJANDET estimated earlier that stock offers in 1986 would total around 4 billion kronor. That is an unreliable forecast. Executive director Bjorn Karlin, who is responsible for the figures in this article, says that the prerequisites for new stock offers this year are "the best ever."

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CSO: 3650/183

NEW TYPE OF FLOATING PLATFORM SEEN KEEPING FIELDS PROFITABLE

Oslo AFTENPOSTEN in Norwegian 17 Apr 86 p 42

[Article by Morten Woldsdal: "Oil Fields Profitable Even with Low Oil Prices"]

[Text] Aker Engineering in Oslo says it will be possible to develop new Norwegian oil fields even with oil prices at $10 to $15 a barrel. The firm has now come up with a new type of floating platform that is adapted to low oil prices.

The platform concept--"Aker PS"--is a result of several years of development work, according to Aker Engineering's administrative director, Herman F. Ramstad.

New fields that are under consideration for development on the Norwegian continental shelf lie at greater ocean depths than the fields already in production. The new oil fields are generally smaller than those that were developed earlier. And in addition, oil price trends call for a sharp reduction in the cost of developing oil fields.

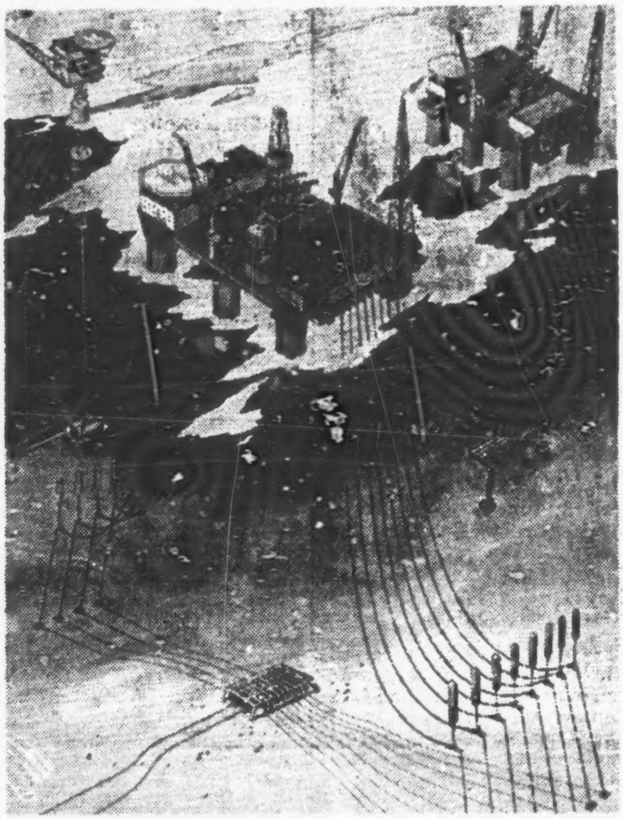
"This concept represents Aker's response to the challenge," Ramstad said at a press conference in Oslo on Tuesday.

He said that the price of this kind of floating production platform would be between 1.75 and 2.5 billion kroner in terms of current prices. The platform could produce up to 200,000 barrels of oil a day--oil that can be transported from the field by pipeline or ship.

The Shell, Statoil, Norsk Hydro and Saga Petroleum oil companies have been involved in the project. Aker Engineering hopes that platforms of this type could be used in new fields both in the North Sea and on Haltenbanken. "Our hope is to sell the concept within the next 3 years," said Ramstad.

He stressed that a floating production platform would be considerably cheaper than the type that is attached to the bottom. The building time would also be short--around 30 months.

Floating production platforms have been presented recently by several company groups in Norway. Therefore Aker Engineering will run into very stiff competition when it tries to market the new concept. One of the places where the firm will try to sell its idea is at the big oil fair in Houston at the beginning of May.



Aker Engineering's floating production concept, which was developed with low oil prices in mind.

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CSO: 3639/102 END

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11 JUNE 1986

West Europe Report

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FRG LAENDER SEEKS TO PROTECT OWN INTERESTS AT EC HEADQUARTERS

Hamburg DER SPIEGEL in German 5 May 86 pp 48-50

[Unattributed article: "The Right Way--FRG Laender Think They Are Poorly Represented in Brussels-- Two Laender Have Already Opened Their Own Bureaus"]

[Text] Bonn's minister for economics, Martin Bangemann, thinks the trend is "scandalous." The Bonn minister of state in charge of European affairs, Lutz Stavenhagen, has "doubts that this is the right way." And Foreign Minister officials already fear for their office's exclusive claim to representation abroad.

The Federal Government is viewing with suspicion the recently aroused interest of FRG Leader in Europe and their push to open branches of their own with the EC in Brussels. After Hamburg had already established a presence of its own in the Belgain capital with its "Hansa Bureau," and the Saarland having done likewise with a bureau of information, now North Rhine-Westphalia too, according to the head of Chancery in Duesseldorf, Klaus Dieter Leister, has discovered EC Headquarters as "an economically and politically important spot." The Duesseldorf Land government is going to open a lisaion office in Brussels as early as this summer.

Baden-Wuerttemberg, Hesse, and Bavaria also want to send their own representatives to the headquarters of the EC Commission. They not only long for the money facets of the over 200 Community funds and projects in order to "milk the Europe cow," as Saarland Europe representative Ottokar puts it; (they believe) that in the past few years their regional needs have too often gone unheeded in the European Community.

The Land politicans critisize the Federal Government for always looking only at the total picture, despite the fact that the interests of their Laender surely should carry at least as much weight as those of EC member Luxembourg, which can make its wishes known at the negotiating table.

Moreover, others too are represented by observers and lobbyists. U.S. states such as Ohio maintain offices in Brussels, the "Cassa per il mezzogiorno" lobbies in behalf of the poor Italian south, Scotland is represented by a bureau, and the declining British industrial regions of Glasgow, Manchester, and Liverpool have "liason officers." Indeed the regions are interested not so much in better PR, champagne receptions, and expense account budgets for trips to Brussels as in being listened to or even being allowed to have a say at the European government headquarters.

Thus Bavaria's Franz Josef Strauss recently, in a letter to Chancellor Kohl, warned that the prevailing "high German standard" in the public health, working conditions, and protection of the environment "will be reduced to the overall lower European level" by the implementation of a uniform domestic market within the EC boundaries.

For the sake of "short-term foreign policy successes," he states, the German head of government has played down "domestic policy considerations" in Brussels. About 300 regulations and guidelines are to be adjusted in the European member countries by 1992 without the Federal Government knowing as yet "what the effect will be on the powers of the Laender."

In a draft resolution submitted to the Bundesrat [FRG upper house] the Bavarian Land government is proposing an amendment of the Basic Law. It states that it is no longer acceptable for the policy of European integration to be a monopoly of the Federal Government, as laid down in paragraph 32. Rather, the Laender must be "conceded the right to appropriately participate in decisions." The SPD-ruled FRG Laender have joined the Bavarian action.

The concern of the Laevender lest they lose rights and opportunities of influence in the course of European agreement (which is proceeding quite slowly as it is) "being taken very seriously by us," states Foreign Ministry's State Minister Stavenhagen. But the Foreign Ministry does not want the Federal responsibility for Europe policy to be infringed.

Aroused by the Laender competition, Bonn Foreign Ministry personnel, in a confidential paper about the "added foreign policy of the Laender", lists a number of sins, claiming that the manifold political, economic, and cultural activities of Laender or municipalities are splitting the Federal responsibility for foreign affairs.

They regard as particularly reprehensible the "increasing travel activity" of minister-presidents and Land politicians, of which the appropriate authorities are "often informed only through applications for personal protection."

Genscher's diplomats conducted a count: Baden-Wuertenberg's Minister-President Lothar Spaeth and his ministers have taken 56 trips around the globe in behalf of industrial products wrought by Swabian industriousness. A saying at the Foreign Ministry: "What is the difference between God and Lothar Spaeth? God is everywhere; Spaeth has been everywhere."

Slightly behind, Bavarian Land politicians are in second place with 47 performances abroad since 1981--despite the itch for travel of their chief, Franz Josef Strauss, whose limousine displayed the Bavarian standard during a visit to Damascus shortly before Easter.

Berlin travelers, with 39 trips, were allotted 3d place by the Foreign Ministry researchers. In all, according to the summary issued by Genscher's ministry, provincial political tourism has risen 250 percent in the past 5 years.

Embassies, particularly in Washington, Beijing, and Tokyo, have a hard time coping with the stream of visitors. "We are no travel agency, are we? complains a Bonn diplomat in Washington. Some hosts are getting tired of the invasion from German lands, and the U.S. Government now refuses to make appointments for meetings or even photo sessions for Land emissaries. "Surely we cannot brief every German Lord mayor on disarmament," says a U.S. diplomat.

The EC Commission, on the other hand, is pleased to see the push of the Laender toward Brussels. After all, says Commission spokesman Hugo Faemen, the FRG is a federal state, "and it is good for us to become more familiar with regional interests."

A foreign policy of the Laender in direct competition with the foreign ministry has its tradition. As early as 1979, Johannes Rau, at the time chairman of the Minister-President's Conference, warned Chancellor Helmut Schmidt that the Laender were participating insufficiently in European decisions.

Schmidt promised "close and trusting cooperation." At that time, the "Laender observer" at the EC was given a few more responsibilities. The officer, who has an office a the Baden-Wuerttemberg Land Representation in Bonn, was given a foreign office not far from the Commission in Brussels. Since then he has been able to attend all Council sessions as a silent observer and also to distribute minutes and reports to the Laender.

The Laender now hope to get much more from a lobbyist of their own than they have been getting from an EC observer acting on behalf of all of them; Hamburg already has one, what with former Brussels EC Commissioner Wilhem Haferkampf specifically seeking subsidies for Hamburg shipyards or Hamburg contacts with the more than 400 industrial organizations and company representations in Brussels.

To the Saarlanders, in turn, the steel and coal projects of the Community are important. At seminars Ottokar Hahn and his Brussels assistant Claus-Michael Falkenberg inform Saarland businessmen about EC raw materials and ecological projects.

So far all are anxious to keep their branches from getting into conflict with the Foreign Ministry. State Secretary Leister says: "We want to cooperate, not compete." With emphatic modesty, Haferkamp and Hahn established themselves not as representations of the Laender but as information bureaus. Emphatically modest, too, is Haferkamp's compensation: DM 1 per month--however, plus expenses.

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CSO: 3600/686

POLITICAL FEDERAL REPUBLIC OF GERMANY

COALITION DIVIDED ON ISSUES CONNECTED WITH ASYLUM SEEKERS

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 19 Apr 86 p 2

[Article by Heinz-Joachim Melder: "The Liberals are Standing on the Brakes"]

[Text] The endless and painful discussions about the right of asylum are among the least edifying elements of Bonn coalition politics. Even those involved sometimes bemoan the irrational character of the wrangling and speak of "pseudo-discussions." Accordingly, it is nearly a matter of sheer political coincidence whether by the end of this legislative session an amendment to the law on the asylum procedure will be on the books, and what its contents will be. The Laender governed by the CDU and the CSU have been pushing for such a law since the end of 1984.

The initiative in pressing for modernized legal correctives to the procedures for granting asylum and for changes in related measures originates in the noticeable increase in the number of applicants within the last three years. While after the restrictive decrees of the Federal Diet in 1982 only 19,773 foreigners in the FRG applied for asylum, since then the number has risen again to 73, 832.

It is this trend, above all, which is disturbing politicians on the federal, state and local level who are concerned with questions of asylum. The Laender are finding it harder and harder to apportion asylum seekers among the individual communities in accordance with the distribution scheme. There is also resistance in communities with large holding camps. It is equally impossible to ignore the complaints of the communities that they can no longer raise the costs of social assistance for asylum seekers and that the federal treasury must intervene.

The difficulties faced by Laender and communities are not denied in Bonn. But the search for a solution is causing the coalition mechanism to creak at the joints. Even the Christian Democrats in the Bonn government, unlike their colleagues in the Laender, are not fully convinced that altering the legal and material requirements for asylum seekers or streamlining the procedure will make it possible to end the alleged abuse of the right of asylum and cause a significant and permanent reduction in the high number of applicants. In contrast, the initiative of the Federal Diet requests:

--extension of the ban on working until final granting of asylum status, previously limited to two years, and extension of this limitation to certain groups of applicants from the Eastern bloc;

--regular examination of those already granted asylum as to the continued existence of grounds for asylum;

--accommodations limited to holding camps.

In the Federal Government there is skepticism as to whether illegitimate asylum-seekers could really be "deterred" by such changes, and the FDP regards such a deterrent effect as exaggerated in any case. The additional examinations are also considered to be scarcely practicable.

Federal Interior Minister Zimmermann (CSU) sees the position in more drastic terms. He considers that the planned amendment is mere window-dressing. The Red Army of the Soviet Union, to cite his favorite example, wouldn't need to invade the FRG. All they would have to do is say the magic word "Asylum" at the border. Zimmermann would prefer to see a limitation in the basic right to asylum, as it is established in Article 16 of the constitution. He claims that the formulation "Victims of political persecution enjoy the right of asylum" is too absolutely stated and requires elaboration, explanation and expansion in order to be applicable today.

There used to be some in the SPD, too, who believed that the constitutional article needed to be complemented by a legal proviso. But because there is no realistic chance for a majority in favor of such a change in the constitution, even Zimmermann avoids demanding it publicly. So the only possible reactions to new developments are still alterations in the current asylum procedure.

These are hard enough to implement in themselves. The FDP in particular stands in the way. FDP legal politicians Hirsch and Baum have frequently stated that the right of asylum is so sacred that even extensive abuse is not a basis for harsh limitations. But along with liberal conviction, this may have something to do with the fact that the FDP has no need to pay any attention to Cabinet heads or mayors, since it is not putting forward any for office.

From the first announcement of an amendment to the law of asylum in 1984 until today the complete inability of the coalition partners to speak reasonably about the basic questions has been revealed. It is true that their verbal forays into realms of imagination are outdone by those of certain social groups, although the legal proposals are much less significant than earlier changes to the law of asylum.

And yet no one in the political parties has ever seriously analysed what political persecution in the sense of the constitution really means today. Such a discussion would neither have limited nor devalued that constitution, much less have and any legal relevance or binding effect. But it would have given them an opportunity to achieve some clarity on the question of whether a broadening misuse of the right of asylum is not devaluing and endangering the constitution.

Unfortunately, "knock-out" arguments prevail among the coalition parties of CDU/CSU and FDP, for whom deep mistrust in internal matters and questions of security is often stronger than the desire for partnership and cooperation. Anyone who even worries about the high number of foreigners is liable to a charge of "racist thinking." Anyone who tackles the topic of the difficulties which parts of the German population have with members of foreign cultural groups is not infrequently suspected of inciting vapid nationalism. On the other hand, none of the keepers of the Holy Grail of a liberal granting of asylum is ready to declare that the FRG is a land open to immigration, although that is precisely the way the trend is going. But an open discussion of this question, without witch-hunting, is a necessary condition for a rational policy on asylum and foreigners.

It is no wonder if under such conditions the amendment to the law on asylum procedure is passing sluggishly through advisory channels. There has not even been a constitutional debate about whether an amendment is necessary at all. For even as it is, approximately three-quaters of the asylum seekers who are turned down are permitted to remain in the FRG on humanitarian grounds and are not deported. In addition, it would be best to consider whether legislative coldness towards asylum seekers is appropriate when the integration of millions of foreigners has to a large degree already succeeded.

When at the beginning of 1985 the legal amendment was introduced into the legislative process, it was met at first by an extremely critical and aloof "counter-statement" by the Federal Government. The demand for regular examination of those who have been granted asylum to establish the continued existence of grounds for granting was rejected in July of 1985. The Federal Government argued that it was already possible to rescind the granting of asylum if the conditions in the country of origin had changed and the grounds for persecution no longer existed. Such changes, however, were extremely rare and thus did not justify any routine and expensive official examination.

Nor did the Federal Government consider than an extension of the waiting period until asylum had been granted was reasonable. The Federal Government gave as its reason for rejection that it could be assumed that asylum seekers who already accept a two-year waiting period would continue to wait even longer for a work permit in the FRG as long as support was still assured through social welfare services. Less radical desires of the Laender for the legal establishment of reasons for denying asylum did not find a sympathetic ear in the Federal Government, which did not want to "stir up any political dust." The only suggestions to be accepted were expedition of the procedure and staff increases.

After protracted coalition discussions, the Federal Government finally declared itself ready in 1985 to introduce a waiting period before granting work permits even for asylum seekers from East Bloc states, but in other regards remained adamant.

Meanwhile, the Liberals have rediscovered their reluctance to accept any change in the law. They have even raised the question of more favorable conditions for aslyum seekers, and are demanding a total ban on deportation to the homeland until the completion of the asylum-granting process, even if criminal offenses are involved.

In March a new round of inquiries within the coalition began, which practically again begins in the same place where it was in 1984. Again the partners have declared that they want to reach decisions "promptly," but there are few left who believe that.

9337/9835
CSO: 3620/661

PERSONNEL CHANGES IN SECURITY SERVICES NOTED

Paris LIBERATION in French 28 Apr 86 p 16

[Article by Georges Marion: "Purges at the Ministry of the Interior:]

[Text] Three commissioners from CRS [Republican Security Companies] headquarters have just been "laid off": since 17 March, a witch-hunt has been in full force among the cops. A first wave, a "political" one, affected the directors of the active police force. The lower ranks are settling scores.

Who said, speaking of the police: "There was an idiotic and unjust witch-hunt?" Answer: Robert Pandraud, minister assigned to security. He said it in January 1986, in an interview published by LUI when he was only Jacques Chirac's cabinet director, and the latter only mayor of Paris. The witch-hunt was the one being carried on by the Left. Since then, the cabinet director has risen in rank, and now that he has become a minister, seems to have forgotten his erstwhile indignation. Three CRS commissioners have just learned the fact at their expense: on 21 April they received a letter of dismissal. The reason: "The definition of a new employment and operating policy for the Republican Security Companies requires that the positions occupied by those concerned be held by officials newly appointed to the central service." One could hardly be clearer.

This brusque letter aroused strong reactions among the CRS cadres who do not always have a reputation for diplomatic finesse or their tactical sense. Was it because of this uproar that Robert Pandraud, who was to come to appoint division commissioner Jacques Breniere to his position as the new head of the CRS central service, decided to postpone the ceremony? However that may be, the malicious rumors of a witch-hunt have begun to circulate in the Ministry of the Interior. And apparently, it is still not simply a bad dream.

Since 17 March two waves of purges of different kinds have swept the ministry. The first, which may be called a "political" one, affected the directors of the active services of which serveral representatives have had to leave their jobs. Strictly speaking, it came as no surprise: on that level, rightly or wrongly, one generally expects changes to take place in connection with election returns.

Among those included in this batch: Remy Pautrat, director of the DST [Directorate of Territorial Surveillance], replaced by Bernard Gerard; Jean-Paul

Clerc, director of the IGPN [not further identified], whose successor is Marcel Leclerc and is at present without assignment; Jean-Jacques Pascal, director of personnel and police training; Serge Gondel, head of the CRS central service, replaced on 21 April by Jacques Breniere; Gerard Deplace, central director of public security, who was ousted at the last council of ministers meeting; Gerard Maurel, director of public security at Police Headquarters, whose successor has not yet been appointed; Bruno Genevoix (Footnote 1) (Bruno Benevoix was appointed to this position in June 1985, and not last February as we stated in our issue of 24 April), director of public liberties (the former administration of regulations). In less than 6 weeks, half the inspector of active police positions, made up of the Ministry of the Interior and Police Headquarters combined, had changed personnel. Quite some changes under Chirac.

And that is to continue. At the very least, the following are also targeted: Pierre Verbrugghe, managing director of the national police, and Pierre Chassigneux, central director of the RG [General Intelligence Office], from which two close colleagues, Division Commissioner Fulvio Raggi and Inspector General Jean-Paul Ricquois, have just been removed. Pierre Chassigneux was quickly replaced by Philippe Massoni, the present assistant director in Robert Pandraud's cabinet.

All of them are paying for various "sins," not always in the strictly political domain: Remy Pautrat, Serge Gondel, and Gerard Deplace are considered close to the Socialists; Jean-Paul Clerc, who is by no means a leftwinger, is above all a personal friend of Paul Roux (himself a former director of the RG and the IGPN, a confirmed socialist, and recently removed from his position as prefect); Pierre Chassigneux, former prefect of Nievre, is suspected of being too loyal to Mitterrand, and Gerard Maurel is regarded as being too close to Pierre Joxe. Pierre Verbrugghe's case, the paradoxical friend of Robert Pandraud, seems more complex: his head was already destined for the ax when the refusal of the president of the republic to sign the transfer of a man whom he holds in particular esteem brought a reprieve. But there is no guarantee that he will survive the next attempt.

Special mention should be made of Prefect Robert Broussard, head of the RAID, the police equivalent of the GIGN [National Gendarmerie Intervention Group]. In principal, nothing should threaten the safety of his future...except that Pandraud cares little for him, and Raymond Sasia not at all. The latter is close to Pasqua and is currently the powerful security chief at the Ministry of the Interior. In these terms, Broussard's case is not so much a matter of a witch-hunt than of a struggle between those animals said to be incapable of sharing the same habitat.

The second wave of purges at the Ministry of the Interior affected, not the directorial levels this time, but that immediately below them, that of the commissioners, and indeed sometimes the inspectors. The dismissals were carried out more discreetly there, but were far more indicative of a desire for revenge.

A characteristic anecdote: Division Commissioner Jean-Louis Garrigues, head of the Official Trips Department (the VO's) under Giscard and currently posted to the IGPN has just lodged a charming request with Charles Pasqua. He is asking for nothing less than the cancellation of all appointments to the position of general controller made under the Left and--this is understood--the appointment in their place of other beneficiaries. Including himself, obviously.

In the "minor witch" category are included the three ousted from CRS headquarters, Principal Commissioner Pierre Lesage, Commissioner Guy Pargemin, and Commissioner Jean-Pierre Gruwez. Not one of these men who have been shown the door could in any sense be said to be a Socialist sympathizer. But without making any bones about it, all three have served under the orders of Serge Gondel (see above). Just as have the 3 or 4 group leaders (out of 10), moreover, who are said to be threatened.

All of them, as the "letter of dismissal" referred to above makes plain, may have some reservations concerning this "new CRS employment and operating policy," not further defined, alluded to by the new CRS chief. It may be pointed out that the latter arrived with Commandant Wey tagging along, an officer with quite a reputation in the organization. A few years ago, to make the experience more authentic, the latter used to train his men by heaving offensive grenades at their feet. One of the guards lost an eye, and Commandant Wey was reassigned to other responsibilities. Fortunately, in the headquarters where he has been placed, he will only be handling pens.

Other recent departures, in the literal as well as figurative sense, include RG [General Intelligence] Commissioner Jean-Claude Corteel, Principal Commissioner Jean-Louis Milhou from the DST, Principal Commissioner Pierre Vaillier, and PAF [Air and Border Police] Division Inspector Michel Veux. All four had been posted to New Caledonia and have just been recalled from there. The friends of Pons, the new minister of the DOM-TOM [Overseas Departments and Territories], finally got them. Not because these officials favored the Kanak separatists, but because their task of surveillance, including the use of wiretaps, applied also to the extremists of the RPCR [Rally for Caledonia in the Republic] and the National Front, and this was an unusual practice on the island.

Except among the CRS where organizational solidarity has always been very strong, all these evictions do not seem to have stirred up much of a reaction from the Commissioners Association (80 percent of those in the profession).

Last Thursday, a meeting of the union's administrative authorities barely mentioned the problem. The next day, Robert Pandraud, during an information meeting held with the administrations of the police associations, announced the future appointments of "some friends," including that of Robert Naud, secretary general of the Commissioners Association. The latter will shortly be appointed director of technical services for Police Headquarters.

9824
CSO: 3519/164

STATUS, OUTSIDE TIES OF MUSLIM MINORITY VIEWED

Rotterdam NRC HANDELSBLAD in Dutch 26 Apr 86 p 2

[Report on interview with the Reverend Jan Slomp, by spiritual life editor Frits Groeneveld: "'Netherlands Has Little to Fear From Islam'--Muslims Fare Better Here Than Christians in Islamic Countries"]

[Text] Leusden, 26 April--"The Netherlands has very little to fear on the part of Islam. There are few or no Libyan Muslims here; they don't play any statistical role. And there are not many Khomeini followers in the Netherlands either. I know a few of them, but their number does not compare to that in the Federal Republic of Germany. There they have established a large center in Hamburg; on their reading table there were anti-American and anti-zionist publications."

These comforting statements come from the 54-year old reformed minister Jan Slomp. From the reformed service center in Leusden, he travels all over the world to educate on the getting together of Christians and Muslims. He says that gives him more than a full-time job: his agenda includes numerous speeches to raise understanding for Islam. Furthermore, he is the secretary of the advisory committee of the conference of European churches on Islam and the Muslims in Europe.

Minister Slomp worked for 13 years as a reformed mission preacher in Pakistan, and he says that there he realized how essential a continuous dialogue between Muslims and Christians really is. In the Netherlands the number of Muslims continues to increase; Islam with currently about 310,000 adherents went through an explosive growth here. Slomp expects a hefty increase in that number in the coming years.

The earliest mosque in the Netherlands is located in the Frisian community of Balk. It was established there in the fifties by former KNIL [Royal Dutch-Indian Army] who adhered to the Muslim faith. Their number has enormously increased since that time, primarily because of the arrival of Muslim "guest workers" from Morocco, Tunisia, Turkey and Yugoslavia: of the 310,000 Muslims in the Netherlands, almost 90 percent come from the Mediterranean Sea area, the others primarily from Indonesia and Surinam. They represent various Muslim schools dating back to the middle ages. For example, the majority of the Turkish Muslims are Sunnites, the Indonesian ones are Shafi'ites, the

Surinamese and Pakistani Muslims are mainly Hanafites, and the Maroccan ones are Malakites.

Also Shi'ites, who are in power in Iran and Syria, are present in the Netherlands, but according to Slomp they are very moderate in their behavior here. In Jewish circles in the Netherlands a different opinion is held in that regard. Reference is made to the statements of the founder of the Shi'ite "Hussein Mission," Mr Rizvi, in the NIEUWE REVU of 7 February. Mr. Rizvi pictured the Jews as "the cause of all problems, for if you give the Jews a small place in society, they expand it within the shortest possible time. Since the time of Moses the Jews have destroyed people; it's in their blood." According to the Center for Information and Documentation on Israel (CIDI) in The Hague, one of the causes of such statements may lie in the contacts some Dutch-Islamic groups have with Libya and other Arabic countries, and the financial support coupled to that. In the CIDI, one further doesn't believe at all the announcement by the Department of Foreign Affairs that only about 10 Libyans live in the Netherlands. "Simply ridiculous," according to CIDI director R. Naftaniel.

According to the interchurch paper "BEGRIP" [Understanding] (on relations between Muslims and Christians), it is primarily the fact that the fairly small number of Shi'ites in the Netherlands is spread over various Shi'ite currents hampers the coming into being of viable Shi'ite organizations. Only in The Hague there is a Shi'ite center, the Alawite mosque. Slomp further points out that Muslim fanaticism occurs not only among Shi'ites. The extremism or fascism of Islam exists among all Muslims in his view, "but we are not bothered much by it here."

Furthermore, he is happy to find that in the Netherlands, where the Muslims represent the second religion, there is much tolerance toward them. "It is better for a Muslim to live here than for a Christian to live in an Islamic country," is his firm opinion. He says that within the churches there are fewer and fewer people who see Islam as a "false religion," as a religion which is the great rival of Christianity and forms a threat to the church and to society. He immediately adds that tolerance in the Netherlands is primarily due to indifference and that, if Muslims and autochthonous Netherlanders get under each other's skin, the tolerance rapidly decreases. That happens in spite of the fact that Muslims--of course also out of self-interest--do their very best to be as friendly as possible to non-Muslims.

The tolerance in the Netherlands is also apparent from the attitude of the government, according to Slomp. For example, Minister Brinkman (WVC [Welfare, Health and Culture]) last week granted a broadcasting authorization to the Islamic Broadcasting Foundation (IOS) for 13 hours of television and 50 hours of radio time annually, approximately the same as allocated to the Humanistic Alliance. The clergyman finds that a very generous offer--"certainly if you remember that Christians in an Islamic country such as Algeria are allowed to appear on television very briefly only at Christmas and Easter."

Slomp has fearful premonitions, however, as to the level of the imminent broadcasts of the IOS, primarily because he thinks that Muslims are barely capable of separating propaganda and information. "If the Islamic broadcasting system is going to present Islam as the only true religion, it will rapidly become offensive to the public at large," he expects.

The Muslims and their organizations receive support not only from the Dutch Government, as became obvious at the beginning of March when the ministers of Welfare and Culture and of Home Affairs (according to Slomp "as an election stunt") voted 400,000 guilders for cultural and religious Muslim activities, but also from abroad. For example, the Muslim World League, based in Jeddah (Saudi Arabia), supplied aid in 1975 upon the foundation of a federation of Muslim organizations in the Netherlands, and in January 1985 the representative of Saudi Arabia came with an additional gift of 10,000 dollars upon the opening of the Taibah mosque in the Amsterdam Bijlmermeer district. Immediately thereafter, the Libyan representative offered double that amount.

Slomp says he does not know exactly how much support the Muslims in the Netherlands receive from abroad. There is secrecy in this regard, but it is clearly part of the policy of Islamic countries and organizations to continually offer a helping hand to their brothers abroad who themselves also make large financial sacrifices for their religious community. For example, the International Association for the Call to Islam, based in Tripoli, paid for a big Islamic congress in the Utrecht Exhibition Hall. "I was a guest speaker there," says Slomp. "All the walls were full with statements by Gaddafi; we really were all a little amused by that."

So far about 200 mosques and prayer places now exist in the Netherlands. That is a considerably greater number than the Christian churches, not even to mention synagogues, that can be found in strict Islamic countries such as Saudi Arabia or Afghanistan where other religions are officially prohibited and forcefully resisted. "I must say that tolerance toward Christians in Muslim countries is in a poor state." the reverend Slomp laments. "Islam prohibits conversion to another religion. In Egypt not long ago, a few Muslims who had become Christians were thrown into prison." The intermediary between Christianity and Islam says he understands very well that in the Netherlands there is fear among some people for the revival and expansion of Islam. "But the fear harbored by Muslims in the Middle East for the West, especially for the United States, is many times greater. There is a well-founded reason for that, in view of the American manner of acting in Iran at the time, and now again in Libya. Also the manner in which the American media--with their great influence in Europe--continually put Islam in a bad light, makes it understandable that the Muslims think there is great danger to be feared from the West.

As to the Dutch society, Slomp believes that the degree of acceptance of Islam ought to increase, and that the government should continue to subsidize the construction of mosques. Not only because many of them are in a deplorable condition, but also because with such a subsidy policy the government "can counter the taking root of undesired extreme influences from abroad" and "can prevent a type of ghetto mentality from dominating the Muslims in the Netherlands." In this context he also thinks of Muslim youths who, when they become frustrated because of not being able to gain acceptance in society, could turn to the radical, fundamentalist currents in Islam.

Now it is primarily a matter of achieving unity in the Muslim minority in the Netherlands, he says. "That can only come about when the Surinamese, Moroccan, Turkish and Pakistani Muslims among us start listening to each other rather than to their prompters in Tripoli, Ankara. Rabat or Jeddah."

8700
CSO: 3614/102

POLITICAL SWEDEN

KARIN SODER ON CENTER PARTY'S PROBLEMS, GOALS

Stockholm DAGENS NYHETER in Swedish 8 Apr 86 p 8

[Article by Magdalena Ribbing]

[Text] The Center Party has been through a rough period, but now things are getting easier. That is how Karin Soder sums up the present situation in her party. She will soon decide whether she wants to become the Center Party's new leader, as so many of her fellow party members want her to do. It sounds as if she is on the way to shouldering the burden after all.

The Center Party Executive Council held a meeting in the Parliament Building on Monday. The meeting, held in the chamber used by the former Lower House, was attended by 150 delegates from the Center Party's 29 party districts.

Delighted applause was heard from inside the hall when Karin Soder told a funny story. She herself stepped outside for a while and talked about optimism and the go-ahead spirit. The executive council discussed organizational matters.

No big changes are in the works, but this marks the kickoff for getting priorities straight and finding the right relationships, Karin Soder said.

She did not want to talk about her upcoming decision to accept--or reject--the party leadership. But conscientious Karin Soder admits that she is driven by what she feels it is her duty to do. And in this case, that would mean saying yes to the chairmanship of the Center Party.

She said: "I have realized for a long time that the majority is favorable to my candidacy, but I feel that that is a response to the hard work that Olof Johansson and I have done since we took over at the beginning of December."

Uncertain Soder

For Karin Soder, the uncertainty over whether to accept the job as chairwoman is due to the lack of freedom that acceptance would bring and the fact that she would have to say no to other tasks in which she is heavily involved, examples being Nordic issues and the Save the Children organization.

"It is important to take criticism seriously," said Karin Soder with reference to the Center Party's investigation of its crisis. "Every popular movement gains from analyzing its organization and its shortcomings. And it is natural," she said, "that there should be criticism when a party declines."

Karin Soder elegantly avoided answering the question of whether the current climate of debate differs from that which existed last fall, when Thorbjorn Falldin was still at the head of the Center Party. She would say only that after last fall's election, the Center Party was in a crisis situation and every responsible member of the party was asking what could be done about it.

But Andreas Carlgren, chairman of the Youth League, says unreservedly that there is a lighter atmosphere now--it is possible to talk and discuss. He also feels that there is a go-ahead spirit in the party now. "The election defeat was so great that we could no longer duck the problem," he says.

"Straight Talk"

"The organizational plans are going to work well; people will know what the Center Party stands for. That is something they hardly knew before. But we will not be kicking up our heels--there will not be rapid growth."

Andreas Carlgren wants "straight talk, simple messages, and new blood" on the party board. And he believes there will be cooperation between Karin Soder and Olof Johansson despite reports to the contrary.

Concerning the willingness of Center Party representatives to talk about their party colleagues, Andreas Carlgren says that there has been altogether too much "crap and gossip" in the Center Party.

Party secretary Sven Thorstensson believes with 99-percent certainty, as he puts it, that Karin Soder will be the new chairwoman.

And Anders Ljunggren, the party's information chief, says that the party is indeed influenced by public opinion surveys--such as the most recent one, in which Karin Soder was shown to enjoy great credibility with the voters.

The current party board will immediately begin moving ahead quickly with the organizational matters decided on by the executive council, and the new party board will continue to do the same. There will be more conferences, with questions and discussion, out in the party's local sections.

But Karin Soder says firmly that there is currently no support for the proposal to start holding Center Party congresses every 2 or 3 years instead of annually.

11798
CSO: 3650/184

POLITICAL SWEDEN

NEW ACTION TO PREVENT SALE OF TECHNOLOGY TO SOUTH AFRICA

Stockholm DAGENS NYHETER in Swedish 20 Apr 86 p 8

[Text] (TT)--The government is tightening up the law on South Africa. The sale of technical know-how is being banned, and the monitoring of trade by Swedish firms with South Africa is being stepped up.

Minister of Trade Mats Hellstrom told the TT [PRESS WIRE SERVICE, INC.]: "Swedish firms are being given the spring months in which to show their good will. If there is no drop in trade with South Africa, we will scrutinize each firm's trade with that country."

Hellstrom announced the tightening up at the annual meeting of the Stockholm section of the Social Democratic Party on Saturday.

Until now it has been completely lawful to sell Swedish technical know-how and patents to South African firms despite the ban on investments.

Entire Industries

This means that it has been possible to set up entire industries in South Africa with Swedish help. As one example, Nobel Industries helped set up an explosives factory in the country.

Hellstrom says: "That is exactly the sort of thing we want to prevent in the future."

For just over a year, firms wanting to sell technical know-how to South Africa have been required to report each transaction. One such report was received last year--it was from Uddeholm, which wanted to participate in a project for the manufacture of pellets.

In October of last year, the government ordered Swedish firms which trade with South Africa to try to find other markets and suppliers. Since then, trade with South Africa has declined. In the last quarter of 1985, Swedish exports to that country fell by 48 percent, while imports fell by about 50 percent. And trade with South Africa declined further with the start of the new year, when imports of agricultural products were banned.

Not Satisfied

But Mats Hellstrom is still not satisfied. The reason is that since 1 January of this year, trade has not been declining as rapidly. Exports in January of this year were only 20 percent less than in January of last year.

Hellstrom says: "The government is going to monitor trade with South Africa very closely over the next few months. When the statistics are available in September, there will be a thorough examination of the way things have gone."

Licenses Introduced

If trade has not declined further by then, the government will introduce so-called supervisory licenses. This does not constitute a ban on trade with South Africa, but what it does mean is that each firm must report each transaction in minute detail.

Since last year, the government has had Parliament's permission to decree minor sanctions against South Africa without going to Parliament.

The ban on technology transfers may take effect within a couple of weeks.

11798
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BRIEFS

REFUGEE QUOTA MAINTAINED--The refugee quota will remain at 1,250 persons next year. On Wednesday, Parliament rejected a bill by the VPK [Left Party-Communists] that would have increased the figure to 3,000. The quota has come nowhere near being filled in recent years, a circumstance for which the government was sharply criticized during the debate. The new and stiffer visa requirements were also attacked. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 3 Apr 86 p 6] 11798

ETHIOPIA CATASTROPHE AID --Acting on behalf of the government, Under Secretary of State Bengt Save-Soderbergh has signed two agreements on continued catastrophe aid for Ethiopia. The agreements, which were signed in the Ethiopian capital of Addis Ababa, provide a total of 32 million kronor in catastrophe aid. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 3 Apr 86 p 6] 11798

CSO: 3650/185

COLUMNIST VIEWS JOINT U.S. RELATIONS

Istanbul MILLIYET in Turkish 3 Apr 86 p 10

[Commentary by Sami Kohen]

[Text] Forty years ago, when an American flotilla, which included the famous battleship "Missouri", anchored in the Bosporous, the Turkish people welcomed the visitors with a rare enthusiasm and virtually embraced them.

In fact, the interest and enthusiasm shown to the American sailors initiated a new era in relations between the two nations.

The "mobilization" of all the nightspots in Istanbul's Beyoglu quarter, the bars' welcoming the young visitors with signs reading "cold drinks and hot women", and the sailors' handing out chewing gum and American cigarettes to young people constituted only the superficial and entertaining aspect of the matter.

In actuality, this "friendship visit" had an important political significance. Turkey was under heavy pressure from Stalin's Russia, which had begun in Eastern Europe and was gradually expanding into neighboring areas, and which in this context had made demands pertaining to the Bosporous and certain of our eastern provinces. Ankara was resisting Moscow's wishes, and even its threats. But our army and economy were very weak at the time.

The U.S., immediately after the Second World War, was very concerned over this Soviet expansionism. It perceived that Turkey numbered among the Soviets' targets. When President Truman sent the "Missouri" to Istanbul, he considered it to be a show of strength against Russia, and a signal for the Russians to desist. The "Missouri" was the start of a new era: Just a year after the visit, the Truman Doctrine would be implemented, Marshall aid to Turkey would begin, the U.S. would guarantee the security of Turkish territory against the Soviets, and, finally, the way for Turkish entry into NATO would be opened...

The "Missouri" visit is being commemorated this week with a conference being held by SISAV [Foundation for Political and Social Research]. A number of eminent Turkish and American diplomats and academicians have gathered to discuss "forty years of continuity and change" in Turkish-American relations.

There is no doubt that a great deal of water has passed under the bridge since the "Missouri" visit; there have been great changes in world politics, and Turkish-American relations have passed through various phases. A number of the realities and factors pertaining to that time are no longer relevant today. New conditions and concepts have taken their places.

Today, when one looks at the past forty years of the Turkish-American relationship, one sees that the initial period, in particular, provided great benefits for both sides. Certainly Washington was able to prevent Stalin's Russia from expanding into Turkish territory and even via the Bosporous into the Mediterranean, and, througn aid to Turkey, the U.S. was thus able to strengthen its global strategy and effectiveness. And Turkey, saved from falling a victim to Russian expansion, thereby enhanced its own security. Moreover, through the aid it began to receive, Turkey was also able to modernize its armed forces and develop its economy. It is worth noting that this assistance has totalled 12.8 billion dollars to date.

But international relations don't always proceed on the same steady course. Particularly in the period since 1960, Turkish-U.S. relations have followed an up-and-down course. President Johnson's all-too-well-known letter of 1964 and the arms embargo of 1975 marked the lowest points in the relationship. In those years, it became "undesirable" for the American fleet to anchor in the Bosporous, and the American sailors whom the Turkish people had so embraced in 1946 were turned away from the waters off Dolmabahce.

It is necessary to examine why these relations, which have been normalized in recent years, have exhibited so many ups and downs in such a short time-period. Conclusions reached through objective analysis will certainly help to establish these relations on a sounder basis. If the SISAV conference can accomplish this, it will have made a significant contribution.

As noted above, much has changed, both in Turkey and in the wider world, since the visit of the "Missouri". This doesn't mean that Turkish U.S. relations have lost their previous usefulness. There are many reasons, and a great many mutual interests, favoring continued friendship and cooperation between the two countries. Since this is the basic point of departure, the question is then one as to how these relations can be sustained in a manner which will ensure steady mutual benefit.

A new realism is needed in Turkish-U.S. relations. Mere mutual understanding is insufficient. Last week when Schultz was in Turkey, he spoke for example of the "realities" of U.S. foreign trade. Turkish officials and businessmen explained Turkish "realities" to him. For both sides to comprehend these things is a good thing, but if things remain at this point the results will be nil. A new concept is called for. That is, it is necessary to get the relationship away from the basis of "aid in return for military bases" and broaden its base. And in order to accomplish this, much more serious and candid efforts, even forced efforts, are required...

Only in this way can we return to the "spirit of the 'Missouri'".

9173
CSO: 3554/39

COMMENTATOR TALKS ABOUT U.S. ARROGANCE

Istanbul GUNAYDIN in Turkish 3 Apr 86 p 3

[Commentary by Necati Zincirkiran]

[Text] It's really difficult to understand American policies. Just because we explained some of our desires in a very candid way to U.S. Secretary of State Schultz, our relations are practically at the breaking point.

And just look what Dr. Jed Snyder, one of the White House's advisors, had to say on this topic:

"A great mistake has been made. The negotiations shouldn't have been carried out openly, but privately and in secret. It was a great mistake to put the U.S. Secretary of State on the spot in public. I want to say that what was done was the worst thing possible. I talked with Schultz's advisors. They said that he was extremely angry, because he hadn't expected such behavior from Turkey. You expect such behavior only from allies in which you can't have confidence. This is a very unfortunate development."

When the Americans encounter behavior to which they're not accustomed, they react in this strange manner. It's because they look at the world in a different manner, from within a superiority complex.

They apply the philosophy that "We created the world; those in our camp are our subjects. Whatever we say, you're obliged to accept it. However much we give, you'll be satisfied with that."

Do subjects protest? Do they criticize? Just what does this mean?

Here is the real interpretation of the incident:

We've known them for 40 years. America has been in our midst for the past 40 years. We live on very intimate terms with them.

Until today, they've been accustomed to hearing "yes" all the time. They've undermined everyone who hasn't said "yes" to them all the time. If we cast a glance at recent history, at the drama of Menderes, at Inonu's fall from the position of Prime Minister, at Ecevit and even at Demirel, America has always wanted to keep its subjects in a state of dependency. It neither kills them nor lets them really live.

America just lays down the law: "You'll only be as strong as I ordain."

The Schultz incident is but another proof of this.

We mustn't be taken in. We are on the right track in this issue. We're following a policy that has dignity. If we persevere, we'll prevail!

9173
CSO: 3554/39

COMMENTARY VIEWS DISCORDANT RELATIONS WITH NEIGHBORS

Istanbul MILLIYET in Turkish 2 Apr 86 p 10

/Commentary by Ilhami Soysal/

/Text/ Take a map of Turkey and cast a glance at our neighbors... Our next-door neighbors to the west, Bulgaria and Greece... What are our relations with these two countries like? We're virtually at each others' throats. Since the Bulgarians have implemented an effort to assimilate and thereby eradicate our kinsmen who live as Bulgarian citizens on Bulgarian soil, they have won the hatred of 50 million Turks. It's for this reason that our diplomatic relations with that country are extremely tense. Moreover, since the political regimes of that nation and Turkey are diametrically opposed to one another, and since the countries are in two separate camps, rather than friendship between the two countries, it's a question of their being virtual enemies.

All right, our relations with communist Bulgaria are like that, but are our relations with Greece, our other neighbor, with a capitalist and bourgeois democracy, very good? No, rather the opposite... The tension between Turkey and Greece, our supposed NATO ally, is greater than that with Bulgaria, because the areas of dispute are many. The conflict over territorial waters in the Aegean, the disagreement over the Aegean FIR /Flight Information Region/ line, the Cyprus problem, and the oppression of our kinsmen in Greece, have from time to time brought the two neighbors to the very brink of war.

To summarize, relations with our neighbors to the west are worse than merely cool; they're actually at the level of animosity, a very strained type of relationship...

So let's turn to the south... To Syria just beneath us, and Iraq beyond. Of these countries, our problems with Syria seen to have no end. It's clear that the Syrians covet our territory from the maps they publish from time to time. They shelter the separatists, and turn a blind eye to their staging attacks across our common border. They vote against us in international organizations. Consequently, it's impossible to say that this nation has friendly relations with Turkey.

If not for its war with Iran over the past several years, Iraq's stance vis-a-vis Turkey would be no different from that of Syria. Their policy for years of trying to "Arabize" our kinsmen living in the Sulaimania, Mosul, and Kirkuk regions is not much different from Bulgaria's recent policy. Just as Syria does, Iraq shelters the separatists. Even putting the most positive face on the matter, are relations are not friendly, but rather cool.

Now to the east... Here we have Iran and the USSR. During the reign of the Shah, even though almost a third of the Iranian population consisted of Azeris and Turkomans, both groups being of Turkic origin, Iran with its policy of accentuating the Persian ethnic group forbade education in Turkish and always looked upon Turkey as an enemy. Now, with the Khomeini regime, even though an indifferent trade relationship is continuing, it is clear that Iran is not that favorably disposed toward Turkey.

As for our large neighbor to the northeast, the USSR: Except for the period of our War of Independence and the Ataturk era, we can't call Turkish-Soviet relations "friendly". The Soviets look upon us as an advance outpost of capitalism aimed right at their soft underbelly, and continue to threaten us over Kars and Ardahan or joint defense of the Bosporous. As for us, with the bases we grant to the U.S., as well as the NATO bases on our soil, we are a continual worry to them. As a result, outside of mere form and empty talk, our relations can never move in the direction of a friendly relaxation.

Quite apart from our actual neighbors, it is difficult to say that we have bonds of friendship with such nations as France, Sweden, Denmark, Belgium, Holland, Egypt, Algeria, Morocco, or Tunisia. West Germany's show of friendship means nothing more than a friendship arising out of commercial transactions. Britain's is the same. And our relations with the U.S., which we call our greatest friend and ally, are clear for all to see. It's the Americans who implement the arms embargo; it's they who establish the 7-to-10 ratio in aid to Greece and Turkey; it's they who impose quotas on our textile products, the only product we can export to their country; it's they who provide support to the genocide that the Armenians have launched against our diplomats... It's they who see Turkey as a cheap depot of soldiers and a forward base, and who imagine themselves to be masters over our country...

All right, how did Turkey arrive at this state?

While following the War of Independence and even until the end of World War Two there existed a Turkey with a respected place in the world, whose counsel was listened to and taken seriously... While there was a Turkey that signed the Balkan Pact with the Balkan countries, the Saadabad Pact with Iran, and a Friendship Agrement with the USSR, a Turkey that was at peace with the world and had adopted the principle of "peace at home and peace in the world", what did we ever do that today we're a nation surrounded by enemies on all sides?

Is it that all our neighbors are in the wrong and only we're in the right? Or did we somewhere make one or more major mistakes? Now that we're in this situation, lets us sit down and think long and hard about it. Let's think, and review our foreign policy one more time, how about it?

9173
CSO: 3554/41

FREEDOM OF SPEECH BAN LIFTED ON FORMER POLITICIANS

Istanbul CUMHURIYET in Turkish 3 Apr 86 pp 1,11

[Text] Ankara (CUMHURIYET Bureau) - The draft law providing for a lifting of the restrictions on statements by former politicians has passed in the General Session of the Grand National Assembly. Only one parliamentarian, representing the DSP [Democratic Left Party] voted against the bill, which nullifies two paragraphs of law number 2969 restricting the speech of former politicians. In addition, by means of a paragraph appended to law number 2969, provision was made for the law to expire concurrently with the expiration of Provisional Article IV of the Constitution, which imposed a ban on political activity by former politicians.

Discussions on the draft law amending certain paragraphs of law number 2969, which began the previous day in the General Session of the Grand National Assembly, were completed yesterday. While the SHP [Social Democratic Populist Party] and DSP favored the complete repeal of law number 2969, the ANAP [Motherland Party] and MDP [Nationalist Democracy Party] favored retaining the provisions which prohibit criticism of the nation's leaders during the period the 12 September 1980 military takeover.

ANAP Ankara parliamentarian Alpaslan Pehlivanli, who spoke during the debates on the draft law, noted that there were those who favored the complete nullification of the law and said that "This law has a character which tends to prevent the disruption of the atmosphere of peace brought about by the 12 September intervention, and to prevent the situation of political conflict which had occurred in the past. Consequently, we see no benefit in its total repeal." Pointing out that the previous politicians were not traitors to the nation, Pehlivanli said "Those abroad who would say that there is no democracy in Turkey are saying it today anyway. But we'll save those who oppose the government merely because of this law from having to be in opposition."

Adana DSP parliamentarian Nuri Korkmaz, in a address in which he noted that there were still those around who had given their hearts to the former political parties, stated that "The pre-12 September parties are no longer on the scene, but there are still people who gave their hearts to them. Not a single traitor has emerged from those who carried responsibility in Turkey." He called for the law to be repealed in toto.

Korkmaz, announcing that he would give a negative vote because the law was not being completely annulled, spoke as follows: "Today, [the military takeovers of] 27 May [1960] and 12 March [1971] are being criticized. Are you guaranteeing that 12 September won't be criticized tomorrow?"

Following the debate, the draft law submitted to the Assembly by the government was accepted. According to the draft, political party members will be able to make statements either praising or criticizing the administrators of parties closed after 12 September. Former politicians will henceforth be able to give speeches and issue statements concerning Turkey's domestic and foreign politics.

However, the provisions of law number 2969 prohibiting statements which could lead to a renewal of a situation of political conflict and dispute similar to that prior to 12 September 1980 will still remain in force. Consequently, no statement or comment may be made which would be of a critical, denigrating, or disparaging nature vis-a-vis the decisions, communiques, or actions of the MGK [National Security Council].

9173
CSO: 3554/39

BRIEFS

SPY TRIAL ENDS--Vehbi Kacan, a farmer who had gathered information on Turkish military units in Thrace and sold it to the Bulgarians, was captured by MIT [Turkish National Intelligence Organization] and has been sentenced to 15 years imprisonment for treason by the Military Court of the General Staff. Kacan, who in March 1983 took his sheep to graze on the edge of the Rezve Creek in the Macara area along the Turkish-Bulgarian border, established a friendship with a Bulgarian military officer named "Peter". The Bulgarian, telling Vehbi Kacan that there was no olive oil to be found in Bulgaria, gave him 3,000 lira and asked him to bring him some. As the friendship which thus began between Vehbi Kacan and the Bulgarian officer developed, Kacan went frequently to the same area and began to talk with the Turkish-speaking Peter. During one of these meetings, the Bulgarian asked Kacan, in return for money, to provide him with information on Turkish military units in the surrounding area. The traitor Vehbi Kacan accepted this proposal and began to gather information in the area without attracting notice. Later, the Bulgarian, who secretly conveyed Kacan into Bulgaria, took him to tour the cities of Burgaz and Varna and gave him a radio/tape-player. Following these favors, the farmer and spy Kacan placed information pertaining to Turkish units' border exercises in a jar in August 1983 and left it in a pre-determined spot on Bulgarian soil. As Vehbi Kacan was seeking to arrange a false identity card for the Bulgarian officer and take him to Istanbul, he was arrested by the National Intelligence Organization, which had closely monitored the affair. [Text] [Istanbul MILLIYET in Turkish 2 APR 86 p 2] 9173

CSO: 3554/41

BRIEFS

TURKEY STUDIES MIRAGE PURCHASE--Turkish Prime Minister Turgut Ozal was interviewed by the AFP on Sunday 20 April upon completion of his 5-day visit to Paris. He told the press agency that his country "was studying a plan proposed by the Dassault company for the purchase of French Mirage 2000 combat aircraft" that could possibly "be built partly in Turkey". Ozal added that "this plan could be adopted, but we have made no decision as yet because we have to study its financial implications. Up to now, the Turks have never made any major arms purchases from France, having supplied themselves exclusively from the United States. Ozal revealed that Matra has also submitted "a missiles sale offer" to Turkish officials. He explained that this offer was likewise under study. He refused, however, to specify what types of missiles were involved. The Panavia British-German-Italian consortium has offered to sell Turkey its Tornado aircraft. The latter is, therefore, in competition with the Mirage 2000, as it was previously in Saudi Arabia where the Dassault aircraft lost the contract [Text] [Paris LE MONDE in French 22 Apr 86 p 10] 8041/9869

CSO: 3519/165

CLOSER TACTICAL INTEGRATION OF ARMOR, ARMORED INFANTRY URGED

Bonn TRUPPENPRAXIS in German Jan/Feb 86 pp 36-39

[Article by Lt Col Alfred Zaengerle: "Armored Infantry Units 90 or Infantry-Reinforced Armored Battalions"]

> [Text] The debate about the combat units of the future--particularly the infantry units--goes on. The following article exclusively represents the author's personal views which he herewith offers as an additional contribution to this debate.

I have followed the debate about the armored combat units of the future with interest which began with an article that appeared in the 3/82 issue of TRUPPENPRAXIS. I have noted with satisfaction that the organizational charts of the future already provide for a mix of armored units. I had submitted a proposal along these lines to then chief of the general staff on 8 January 1976. But at that time my views were not listened to. My ideas, based on admittedly incomplete experience and knowledge concerning the use of armored infantry units as a deputy battalion commander of a mixed battalion of an armored regiment, led me to the realization that it was absolutely necessary to provide for the reinforcement of armored infantry battalions with battle tanks as part of the basic organizational structure. The past and present organizational and operational concept of this battalion neither makes sense without armored reinforcement, nor is it adeqaute to the threat. In the final analysis, it is anachronistic and must be viewed as a stopgap measure in the face of limited budgetary means. The proposed concept does make the armored infantry battalion more survivable to a certain extent but does not solve the problems that I can see.[1]

Mix According to Basic Organization Plan or Tactical Grouping

First, let me say a word about the mix according to basic organizational concepts or tactical grouping. Both options have their advantages and disadvantages which were outlined by a responsible authority.[2] There are examples for both options in the ground forces of different countries. The mix in the Soviet army and the armed forces of its allies as well as in the U.S. Army is by tactical grouping. The French army mixes its armored units organizationally down to the company level. Based on my experience of 3 years as a deputy and S-3 staff officer of a mixed armored battalion and 4 years as commanding officer of a purebreed armored battalion, I would strongly urge mixing units along organizational lines. It is the only way to prepare the leadership cadres for the close cooperation and mutual understanding required to cope with a national emergency. With all due respect for his experience in the matter, the one negative example cited by General Ritz from his inspector days[2] as an argument against mixing cannot really be termed representative. But as far as mixing units along organizational lines below the battalion level is concerned the disadvantages would appear to outweigh the advantages from the training point of view, as the example of the heavy companies demonstrated in the past.[3] The training argument is a significant one which sets limits to the demands to be placed on a "unit" both in terms of personnel and equipment. After all, there was a good reason for the Bundeswehr to switch back from the quarterly to the uniform replenishment system. Similar problems would probably come up within a given unit, if it were trained on two systems which differ both in terms of technology and operational use.

More Battle Tanks, Firepower Characterize Threat

Let me now turn to the threat trend by pointing out the "increase in the quantitative superiority of the Warsaw Pact ground forces over the past 10 years"[4] as exemplified by the following figures which bear repeating:

5,000 battle tanks and 870 armored personnel carriers;

1,400 artillery pieces

300 multiple rocket launchers

1,100 attack and multipurpose helicopters[4]

This leads us to the logical conclusion that the battle tank will probably continue to serve as the primary weapons system of the WP ground forces.[4] But we are faced with a major contradiction, if an assessment of our own future capabilities concludes that "based on current information, there is no weapons system in prospect which might replace the battle tank as the key piece of equipment used by armored combat units or which would be in a position to take over its functions."[4] On the other hand we are told that "the somewhat tank-oriented organizational structure of the armed forces should be altered in favor of the infantry through the addition of armored infantry units to armored combat units with as much dismounted personnel strength as possible."[5] Does the Bundeswehr and the West overall have too many battle tanks; can the dismounted infantryman equipped with a panzerfaust or a longer-range antitank weapon destroy an enemy tank more efficiently and cheaply after all or is this contradiction merely the result of faulty thinking ?

If one analyzes the operational and organizational principles and the maneuvers of the WP forces in terms of where and how the abovementioned increase in weaponry is in evidence, one must not only reckon with projected World War II-type breakthrough sectors with increased massing of battle tanks and firepower but also with greater "armor density" and firepower both in the course of subsequent combat operations and along the whole length of the front sector. Let me now characterize the major aspects of the breakthrough battle to the extent that they have a bearing on the basic premise and the assessment of a defense concept:

- behind a screen of armored reconnaissance units insofar as these are required to complement other reconnaissance data and/or to take account of terrain conditions,
- following planned or ordered combat support fire of hardly imaginable dimensions,
- an attack is launched by battle tank-reinforced infantry units or by battle tanks alone (depending on terrain) with no concern for losses and with continuous replacement of disabled battle tanks by battle tanks from succeeding waves or reserve units. The attacking battle tanks would be deployed along the width of the battle line and limited only by obstructing each other's forward movement.
- Supported by attack helicopters directing their fire against armored and unarmored targets,
- they take advantage of every existing breach in the line of our delaying/defending forces, breaking through in order to attack our frontline units on the flanks or from the rear or to attack our reserves.

Limiting our discussion to the battlefield and to conventional weapons, the defense plan, for now and the foreseeable future, will be based on the solution of the following problems--at least as far as breakthrough sectors are concerned:

- deployment of threat-adequate weaponry in a solid line, if possible. Making the enemy focal points agree with our own as well as the desired density and echelonment in depth of these weapons will determine the losses of terrain to be accepted. Every such loss puts a strain on strength and of necessity reduces depth.

- armor-plating the weapons to protect them against enemy combat support fire or else taking out enemy batteries before they can become effective;

- simultaneous destruction of enemy battle tanks and supporting attack helicopters which presupposes that the FEBA-deployed weapons are suited for anti-helicopter defense or that frontline special weaponry has been fully integrated;

- destruction of other weapons.

The battle tank would seem to be the best-suited, all-round weapon under this concept. This also raises the question of how many battle tanks can actually be funded and what numbers of other combat units are absolutely necessary. The terrain of our defense areas should not be judged in the conventional way according to tank-favorable and tank-unfavorable but we should take into consideration that any path that is wide enough and any firebreak will accomodate attacking enemy tanks and the infantry units accompanying them.

The Weapon System--The APC Concept and Its Execution

Starting out with the question of the type of battlefield situation in which battle tanks require infantry support, it is worth noting the following:

The battle tank needs an infantry component the more closely tied to broken terrain it is and the longer it will be expected to operate there. If it can take full advantage of its tactical mobility, it will be less exposed to threats and will be able to select a position where the infantry threat is least serious.

This then is the concept for the operational means which will provide infantry support to the battle tank:

- in terms of mobility, it must satisfy the same requirements as the battle tank itself;

- it must provide for the movement of infantry units protected against enemy artillery fire and/or past stationary infantry units and make it possible to conduct mounted combat operations, if necessary.

To my mind, there are two possible ways of solving the problem. Choosing between them will decide the question of whether there is such a thing as a unified formation combining infantry and armored units in one branch of service, based on their operational mission.

1. The delivery system serves solely as an armored personnel carrier and in order to support its personnel against unarmored and lightly armored enemy units. It follows under the protection of the battle tanks or these provide support against enemy tanks. According to the weapons ratio dependent on terrain, these units will thus be more or less "infantry-reinforced" armored battalions.

2. Partial armor and suitable weaponry enable the delivery system to engage enemy tanks on a one-on-one basis. In this case, the system would take on the configuration of an armored attack personnel carrier, as the author of this letter to the editor has demonstrated so convincingly.[6] A battalion equipped in this manner may be infantry-reinforced, if necessary, by means of the previously mentioned transported infantry units or enhanced in its thrust by means of battle tanks. Since it is capable of fulfilling most combat assignments resulting from threat situations, it may properly be called a formation of the combat forces.

The Infantry: A Building Block or a Foreign Element in the System of Armored Combat Units

Both versions have their advantages and disadvantages. They are not mutually exclusive but in fact complement each other, depending on the terrain and the type of mission. When properly mixed, they must balance out advantages and disadvantages with regard to antitank capability or the added infantry units they are capable of providing by means of cooperation and teamwork. While the attack personnel carrier can merely dismount an infantry screen which is to make it possible to hold to the area for an unlimited period of time by keeping those sectors of the terrain under surveillance which the weapons system is unable to see, the APC satisfies any additional demand for ground troops. In assessing the required number of dismounted infantry units for the armored combat troop system, demand should rarely exceed usual levels in average terrain. This is not to say that there will not be a need for infantry units in unit strength and, at times, even in excess of that.

But any defense concept must take into account that the infantry, even in prepared sites, both in the First and the Second World War was literally chopped to pieces by fire--and in both cases we are talking about battle-tested infantry units. In that sense, the infantry units of the Bundeswehr had better not be exposed to the increased fire impact during the initial stage of hostilities. Leaving aside the risks of deployment and the additional time factor needed by the infantry to prepare its positions, they should not be committed in forward areas as long as the enemy can make use of the full potential of his artillery. To use the infantry as a forward fulcrum[3] around which the operations of armored combat forces would revolve, would be to overextend and/or to sacrifice these units.

It makes more sense--as provided for under the present structure--to commit these units in suitable terrain in the depth of the combat sectors of major formations in such a manner that they can take over, if need be, from hard-pressed armored formations and stop the enemy advance so that the former may regroup and be redeployed to provide relief once the halted enemy starts to mass his artillery and combat strength to attack these focal points in the depth.

For other follow-on operations, too, after the first few hours of fighting infantry units in formation strength are needed to join forces with armored combat units. As a rule, however, these infantry units are assigned a mission-related function by means of tactical grouping or as replacments and/or flown into the actual operating area by helicopter. These units need not necessarily be an integral part of the armored combat forces. In their building block function, the only requirement is to integrate that portion which is normally needed in all types of operations. Only if such a building block has a reasonable chance of holding its own against an enemy tank--which it is more than likely to encounter in any type of armored combat situation--will it be able to preserve its independence. Otherwise, the dependence on the armored units is obfuscated by the constraints of peacetime training and, in the final analysis, is cast in concrete down to the unit level by means of basic organizational patterns or regular tactical grouping. This system is more than visible in the Soviet army where armored battalions are divided up from the start and their battle tanks are assigned to individual armored infantry squads, if need be.

If this dependence is to be overcome, infantry means of transport and infantry-supplying, duel-capable antitank weapons in the system of armored combat forces must be properly integrated in one combined unit. In principle, this will help to overcome the following weaknesses of the current armored infantry concept and the one proposed here: in antitank defense; in the termination of hostilities and in the command structure.

"Fireproof" Antitank Defense

The prime requirement of coherent defense is that no gap in the line must be permitted to occur once hostilities have reached their greatest intensity. This can only be achieved, if there is a high likelihood that weapons operating side by side will survive the artillery fire and, if need be, take up their position under enemy fire and destroy enemy armor. If one of these requirements is not adequately met, the enemy tanks will overcome the remaining resistance while the accompanying enemy infantry units smash it totally.

"An armored weapons system," capable of firing various types of ammunition from a high-performance piece,[6] is more likely to provide survivability and effectiveness than shaped-charge weapons. In terms of reaction time, however, it must not be too much inferior to the performance standards of a battle tank because the terrain in which armored infantry units are normally used is divided into small segments. This state of affairs must either be taken into account by increasing weapon density or reducing reaction time, if the enemy attacks in some unexpected fashion. Under the circumstances, the weapons system must have an adequate field of traverse because any change of position would otherwise involve a serious loss of time.

Every gap opens up flanks on which defender and attacker are equally vulnerable. Since the chances of success in individual duels are less calculable on the flanks, the danger is, in principle, that the greater numbers will carry the day. For this reason, it is equally important to provide mobility for the armored combat units and to preserve a solid line. If some other combat unit is to operate alongside the armored units in terrain where an armored enemy is likely to launch an attack, it must have a "fireproof" antitank defense at its disposal.

Breaking Off Hostilities Under Fire

Under present and foreseeable conditions, the antitank defense strength of a given formation determines its capability to break off hostilities locally, if need be and to resume fighting in a more favorable location with minimum loss of terrain. The reasons for such a decision may be operationally pre-planned or may be an inevitable consequence of the action itself which calls for helping the unit avoid dropping below critical strength and restore the proper relationship between time, area and strength. In some instances, quality must even give way to quantity and to the best armor. The Golan fighting in 1973 is a good example of this[7] when the Israelis surrendered territory in the face of an attack by superior forces and suffered substantial losses in combat effectiveness in spite of their advantages in terrain and position.

The proper utilization of the depth of the defense areas and delaying tactics in general call call for breaking off hostilities in a planned and successive manner.

Substantial attrition of the enemy in the covering area calls for more than merely firing long-range antitank weapons at the enemy vanguard and his armored combat reconnaissance units. What it does call for is to make use of suitable terrain and to deploy one's forces in as broad a line as possible at least for a brief period of time so as to cause a "traffic jam" of enemy forces. For this purpose infantry squads are needed which not so much prevent close engagements between the APCs and the enemy's motorized infantry units but which are supposed to make sure that a combat effective enemy does not push past through gaps in the formation and take up position in the rear of their own forces.

One has to have been out in the terrain and seen with one's own eyes how long it takes nowadays to establish infantry units in prepared positions and how threatened they are during this time in order to understand how much lead time is required for the decision to break off an engagement. To do this, the responsible commanders must have a sixth sense. Otherwise, the positions may be given up too soon and the enemy will not be worn down or the decision is made too late and the unit, including its APCs will be badly mauled as it breaks off the engagement. The removal of the Marder tank and the addition of antitank combat vehicles to the armored infantry companies are not likely to bring about any changes in this regard. The only thing that would really help would be a system capable of fighting armored duels and possibly destroying the forward enemy tank formations while the last of the infantrymen climb aboard.

The present difficulty--so as not to say, impossibility--of breaking off an engagement is appreciated in infantry circles as well[8] and has led to the demand to move the prepared positions and the last line of resistance to the rear limits of the defense area in hopes that breaking off engagements will become unnecessary either as a result of operational decisions by the command echelons or altogether.

Command Problems of Mounted and Dismounted Forces

"One who is concerned" has added his voice to the discussion of the command problem as it applies to the current infantry concept[9] and has cited it as a reason for dropping the Marder. The problem arises in principle because weapons with different ranges and different requirements for cover by means of terrain are being combined with one another. The coordination of the weapons takes a lot of time and, in the final analysis, the commander himself must decide on the spot on a position and a particular weapon. Leaving aside the question of how difficult it often is to find sectors of terrain where the different weapons may sensibly be coordinated[9], it will in the end depend on the type of enemy and the approach he takes whether one's own forces as well as the commander are properly positioned and how rapidly the differing components break apart in combat.

In this context, a large-scale field study, like the one conducted to test the formation of the armored company contained in Army Model 4, would surely be of help. It might tell us whether the proposed makeup of the armored infantry company would solve these particular command problems or whether the entire concept will have to be reworked.

My proposal does not solve the command problem either; it merely reduces it in size. In those sectors of the terrain where weapons systems suited to armored duels operate combat proceeds according to their mission profile and the dismounted infantry units merely provide a security screen. In general, the armored infantry units in their APCs are transported in the mounted mode and engage in combat in the dismounted mode according to infantry rules. The location and duration of the engagements will depend on realizable protection against enemy armor and/or on the cover provided by weapons suited to one-on-one armored combat to cover their evasive maneuvers.

Reservations regarding the operational concept proposed here have also been stated with respect to the organizational patterns. Aside from the combat support and reinforcement provided by other elements, the following components are to be coordinated at the battalion level:

- battle tanks;
- armored infantry combat vehicle;
- antitank combat vehicle;
- high-angle weapon component;
- anti-helicopter component.

If the dismounted infantry is thought of as a separate component, then

- four units and/or
- six different elements with different mission profiles and logistic requirements

will be used on the battlefield. As far as I am concerned, the issue of the proper operational concept already comes up in peacetime, in the absence of an enemy and of any terrain.

As I look at the most recent example of mechanized warfare, the 1973 Israeli-Arab war, I have my doubts as to whether the German armored infantry philosophy which originated in and was tailored to the World War II enemy still makes sense, can be justified and therefore retained in view of the changes in the threat which have taken place in the meantime.

As an "armor type," I see and wish for a combat unit in addition to the armored component in the system of armored combat formations. But the essential features of such a unit must fulfill the abovementioned requirement profiles. If sufficient funds to equip all our armored infantry battalions in this manner are not available, we could make do with interim solutions such as other large armies must live with as well.

In principle, after all, these armies conduct their combat operations

- in a mechanized mode with armored battalions reinforced by transported infantry--and the number of armored personnel carriers may in fact exceed the number of battle tanks
- and in the dismounted mode with infantry units reinforced by battle tanks.

FOOTNOTES

1. The Jan 1984 article dealt with the plans which had been made public by that time. SOLDAT UND TECHNIK, No 3/1985, p 116f discusses an antitank armored personnel carrier which represents a step in the direction indicated here. But only time will tell whether technical constraints and cost benefit analyses will not lead to higher costs and to some APC which will carry substantially more infantrymen than the Marder.

2. Alfred Ritz, letter to the editor on "Thoughts about Armored Combat Units of the Future," TRUPPENPRAXIS, No 7/1982, p 510ff.

3. Klaus-Peter Schoetensack, letter to the editor on same article, TRUPPENPRAXIS, No 12/1982, p 925ff.

4. Gero Koch, Joachim Bauers, "Thoughts about Armored Combat Units of the Future," TRUPPENPRAXIS, No 3/1982, pp 177, 183.

5. Gero Koch, "Armored Infantry Units 90," TRUPPENPRAXIS, No 12/1983, p 882.

6. Herbert Stark on "Thoughts about Armored Combat Units of the Future," TRUPPENPRAXIS No 8/1982, p 574ff.

7. Dankmut Schinzer, "Tactics in the 1973 Near East War," TRUPPENPRAXIS, No 1/1981, p 44ff.

8. Joerg Bahr, "Thoughts on Defending Armored Combat Units--with Special Emphasis on on Armored Infantry Units," KAMPFTRUPPEN, No 3/1981, p 105ff.

9. Markus Hendel on "Thoughts about Armored Combat Units of the Future," TRUPPENPRAXIS, No 8/1982, p 586.

9478
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DEFENSE ROLE OF PRESIDENT, PRIME MINISTER OUTLINED

President Preeminent in Defense Affairs

Paris L'EXPRESS in French 21 Mar 86 pp 30-31

[Article by Henri Eyraud]

[Text] Whose finger is on the "nuclear button"? The president's. Who makes the decision to conduct major overseas operations? The president. Who determines France's main strategic policy orientations? The president. And what is the prime minister's role in all this? His is a supporting role as manager-administrator and coordinator.

That was the way Charles de Gaulle wanted things in 1958 with the president as a commander in chief, the prime minister as a chief of staff. And there must be no confounding the two. The Constitution, however, was not as specific, far from it. That document is even ambiguous. Its Article 15 states that the president is the commander in chief of the armed forces, whereas its Article 20 says that the prime minister "has the armed forces at his disposal," and Article 21 that the prime minister is responsible for national defense. The decree of 14 January 1964 clarified the issue, stating that only the president can authorize employment of the nuclear forces. The prime minister is, therefore, only the first among the ministers. In defense affairs, the president makes all the decisions.

Use of Nuclear Weapons

There is no doubt whatsoever that here the president is the sole decision-maker.

Overseas Military Intervention

Here again, the president decides. President Valery Giscard d'Estaing alone made the decision to dispatch the 2d Foreign Paratroop Regiment to Kolwezi, Zaire, in 1975. He did so in close consultation with General Guy Mery, the armed forces chief of staff at the time. The 16 February 1986 attack on the Libyan airstrip at Wadi Doum, in northern Chad, by French fighter-bombers, and Operation Epervier were both ordered by the president in consultation with the defense minister and the armed forces chief of staff.

Major Strategic Policy Orientations

These are likewise a presidential prerogative, in any event until 16 March. De Gaulle had created the Defense Council to back him in such matters. This council is a monarchal body in which the president sovereignly settles all questions after having listened to whom he wants, and when he wants. Here again, the opinion of a military leader may be deemed more acceptable than the prime minister's. And yet the Defense Council is the forum in which armed forces equipment programs are discussed. For instance, what missiles should be selected for the deterrent forces? What aircraft should the French Air Force have in the year 2000? France's strategy is determined in this council.

Administration-Management

The president keeps himself in the background on such matters. But the prime minister still remains apart. Everyday management of the armed forces is the responsibility of the defense minister who also oversees the arms industry and its 300,000 employees.

In fact, the prime minister does not intervene until money matters have to be discussed. The minister of economy and finance controls the purse strings. The defense minister prepares his annual budgets and the 5-year military programming law under the former's watchful eye. The prime minister can--at last!--have his say when interministerial disputes are submitted to arbitration. It is incumbent upon him to coordinate whatever is within the jurisdiction of each minister and to personally direct whatever is common to all of them.

To assist him in this task, the prime minister has a sort of secretariat of state housed in a wing of the Hotel des Invalides, namely the SGDN or General Secretariat for National Defense. The SGDN is a veritable kingpin among all ministries concerned with defense affairs. It has many and diverse functions, including protection of the civilian population, territorial defense, disarmament, arms export sales, etc.

Yet, despite its official attachment to Matignon [office of the prime minister], the SGDN often works in behalf of the Elysee. There is an administrative level for everyday matters, a prime minister level in case of differences between ministries, and an Elysee level for vital or reserved subjects. Will this continue to be the case? What would happen if tomorrow the Elysee and Matignon were to move in opposite directions or if the SGDN were to "boycott" the Elysee?

But the SGDN does not play an essential role as far as the Elysee is concerned. The latter enjoys other occasional ties, such as, for example, with the armed forces general staff and the intelligence services that maintain direct communication with the presidential staff on important questions or in a crisis situation.

Is "cohabitation" [political power-sharing] possible in defense matters? There is no doubt that in such matters the president holds preponderant constitutional powers. A serious conflict within the executive would be poorly viewed by the military and certainly be considered unacceptable in the midst of a crisis. But a firmly united government will undoubtedly manage to impose its strategic and budgetary views. This is an additional reason for moving quickly and authoritatively in 1986 while the unity of the government of cohabitation and the new prime minister's capacity to arbitrate still remain intact.

President, Prime Minister to Compromise

Paris L'EXPRESS in French 21 Mar 86 p 31

[Interview with Samy Cohen, researcher at the National Political Science Foundation and author of "La Monarchie Nucleaire" [The Nuclear Monarchy], Hachette, by Bruno Seznec; date and place not given]

[Text] [Question] Whom will the armed forces chief of staff obey on 17 March?

[Answer] The president and... the prime minister. Such is the ambiguity of the Constitution and a 1971 decree on command of the armed forces. The military have two bosses: the president who is their commander in chief, and the prime minister who is responsible for national defense and "has the armed force at his disposal."

[Question] In other words, military leaders would be the arbiters of "cohabitation" in defense matters?

[Answer] Yes, in a way. Everything depends on their answer to the question "Whom must we obey?" in the event of disagreement between the Elysee and Matignon. Such a situation would lead certain officers to settle some problems at their own level. Take an extreme hypothetical case, in Africa, for example. If the Elysee and Matignon were to paralyze each other, it would be surprising if the army remained impassive under enemy fire and did not take conservative defense measures. The decision would be made on-the-spot by the army itself.

[Question] Who presses the nuclear button?

[Answer] The president. There is unanimous agreement on this point. But this is the most important and, at the same time, the least important issue. So far, the RPR [Rally for the Republic] and the UDF [Union for French Democracy] both acknowledge that responsibility for the use of nuclear weapons rests with the president. This is a very inexpensive concession for them to make because the risk of a nuclear holocaust remains improbable.

Nevertheless, while the president stands upon his apparent dignity as nuclear monarch, the government may decide to fight him on foreign policy and attack the treaties or accords he negotiated. As a result, France's credibility would suffer greatly. Our allies would ask themselves? "Who makes the decisions in Paris?" and "What would happen in a serious crisis?"

In France, he who directs defense policy must also direct foreign policy. For this reason, entrusting the president with nuclear responsibility while denying him the right to act on the international level would have pernicious effects.

[Question] Francois Mitterrand says that if the government were to "confiscate" foreign policy, this would be a coup d'etat...

[Answer] And the opposition clearly saw the trap! By retaining control of foreign and military policy, Mitterrand will also seek to assert himself in major strategic and economic decisions. Because defense is not solely the armed forces. It is also the economy and industry, telecommunications and transportation. But all these are under Matignon's authority. After 16 March, Mitterrand will no longer be a monarch. The year 1986 will be a paradise lost for him.

[Question] Are you saying that cohabitation will be hell?

[Answer] Not necessarily hell. At least not in the next few months, because it is not in the best interest of a cohabitating prime minister to destabilize the president and "humiliate" the institution of the presidency. The prime minister too may well have presidential ambitions! Hence compromises will, of necessity, have their place.

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CSO: 3519/165

BRIEFS

REPORTED WASTE OF MILITARY EQUIPMENT--Outside the disposal area of the 129th Air Force Support Wing at the Ellinikon [Air Base] there were some machines that must be worth several tens of millions. Among them are a press, a piece of equipment that sharpens valves and several others. We ask: 1) Is it true that when the aircraft plant belonging to the government went to Ellinikon, the officials in charge did not know (?) what to do with the machine tools and left them exposed to the elements outside the Third Warehouse of the plant? 2) Is it true that this happened in 1981 and from that time on NO ONE thought to take these machines and use them either at the KEA [State Aircraft Factory] or at the EAV [Greek Aircraft Industry], as happened with the other equipment? 3) Is it true that these machines were left exposed for 5 whole years, until they were moved at the beginning of the month to the disposal area of the 129th Support Wing, where various "useless pieces of equipment" are gathered in order to be sold at auction for the benefit of the Air Force Pension Fund? 4) Is it true that some unknown officials finally became aware of this affair and stopped the proceedings? AND IMAGINE, after the equipment was inspected, it was found out that in spite of their having been abandoned for 5 years and exposed to the rain, dust and humidity, many of the machines could be repaired and used to good advantage!!! [Text] [Athens PONDIKI in Greek 30 Apr 86 p 5] /12858

LIBYANS' TRAINING QUESTIONED--Can a country member of the Atlantic Alliance train future officers of the Libyan army, whose installations are the target of a leader of the Alliance? How many of the Army Cadet School students are Libyans? And will they continue their studies there? [Text] [Athens POLITIKA THEMATA in Greek 30 Apr-8 May 86 p 7] /12858

CSO: 3521/146

MILITARY SWEDEN

DEFENSE EXPERTS HOLD DEBATE ON NATURE OF THREAT PICTURE

Stockholm DAGENS NYHETER in Swedish 4 Apr 86 p 20

[Article by Anders Ohman]

[Text] An isolated attack against Sweden must be among the conceivable war scenarios for which the military must plan. This statement was made by Einar Lyth, a brigadier general, during a defense debate at the military academy in Stockholm.

High-ranking officers debated with civilian defense experts, including Nils Gylden, a department head at the Defense Ministry and an expert adviser to the Defense Committee. The subject of the debate was "The Threat to Sweden: Early Attack, Initial Attack, or Isolated Attack?"

Einar Lyth painted an extremely bleak picture of the threat to Sweden. During the fifties and sixties Sweden was not an attractive region for an attack. Today the situation has changed. Swedish territory is suitable for bases to serve the navy and combat planes of foreign powers. In the present situation, it may be assumed that an attacker has already planned an isolated attack against Sweden.

Soviet Aggressor

The Soviet Union is the conceivable attacker. This was clearly indicated during the debate, although it was seldom mentioned.

Nils Gylden of the Defense Ministry was the main skeptic of the evening. He soothed the harsh military tones with his encouraging conclusions.

The security policy report of the Defense Committee is based on the belief that the danger of war in Europe has not increased. On the other hand, if war breaks out, it is more probable today that the Nordic countries, including Sweden, will be drawn in. But this is not a question of an isolated attack, but a major war in Europe.

Full Control

"NATO believes that the Soviet Union is not so expansionistic. The Defense Committee believes that the superpowers will strike only when the risks are small. An isolated attack against Sweden would be a highly risky operation, Nils Gylden said.

"Control of the Baltic Sea is a must to the Soviet Union," said Claes Thornberg, rear admiral and chief of the Coastal Fleet. Taking Sweden during a crisis would be one step toward establishing this control. The goal of the aggressor would be defensive--to establish air defenses and protection for naval forces.

He saw two conceivable possibilities for an isolated attack against Sweden--a quick attack with a massive military effort or a slow process.

"Once the aggressor has forced his will on us, we will have lost," Claes Thornberg said.

Gunnar Jervas of FOA (Defense Research Institute) said that the term "isolated attack" was misleading. "Initial attack" was better, he said.

Offensive Air Force

Brigadier General Goran Tode of the Air Force said that such an attack would be a good way for an aggressor to gain superiority quickly. He did not believe there would be such an attack from the West.

There are neither resources nor strategic motivation for such a move. It is more reasonable to assume that the threat comes from the East. The Warsaw Pact's buildup of offensive air forces is an indication of this.

If an isolated attack against Sweden is to be kept isolated, no third party, such as the United States and NATO, may step in with military force to prevent an invasion and occupation.

Einar Lyth listed several possible causes of such passivity. NATO could refrain from stepping in if an attack against Sweden were not seen as a threat to the vital interests of NATO. NATO could find it difficult to decide whether or not to step in. It could be difficult to achieve unity. Vital interests could be threatened, but NATO may refrain from stepping in because of the danger that nuclear or chemical weapons could be used. Military resources could be tied up elsewhere. There could be domestic reasons such as a presidential election. Soviet and Warsaw Pact involvement in Sweden could be used by the United States and NATO to advance their military positions in other regions. This could be in the Middle East, the Persian Gulf, or in Finnmark/Spetsbergen.

Isolated Attack

"Does not an isolated attack against Sweden mean a major change in Europe? How could an attacker be sure that no countermeasures would be taken?" Nils Gylden asked. He received no clear answer.

Gunnar Jervas of FOA, also a skeptic concerning the threat, could imagine the situation being changed if one of the superpowers believed there would be a war.

Rear Adm Claes Thornberg quoted the analysis of a United States admiral, who said that the Soviet Union was defensively expansionistic and wanted to establish buffer zones to protect its territory.

"If we happen to be in the way, then so much the worse for us," said Claes Thornberg. He used Afghanistan and Grenada as examples of isolated attacks against countries.

9336
CSO: 3650/178

BALTIC SEEN OVERLOOKED AS WAR ZONE IN SECURITY DEBATE

Stockholm DAGENS NYHETER in Swedish 29 Mar 86 p 2

[Commentary by Olof Santesson]

[Text] More attention should be devoted to the Baltic Sea as a possible war zone in the Swedish security policy debate. This is the most important military region close to us, along with the Arctic North.

It may be assumed that the Swedish military staffs are deeply involved with conditions in this region. In the general debate, however, there is very little analysis of the resources and possibilities of the two military blocs with regard to Sweden, in the event of an armed conflict.

Consequently, this year's first edition of FINSK TIDSKRIFT contains a valuable contribution by researcher Steve Lindberg on the Baltic Sea as a "sea of wrath" and as a difficult war zone.

His purpose is to question what he calls two myths.

1) The job of the Soviet Baltic Fleet is to break out of the Baltic Sea and, along with the Northern Fleet from Murmansk, attack Norway and NATO's Atlantic facilities during the initial stage of a war.

2) The Baltic Sea is beginning to play a new role in NATO's strategy of nuclear deterrence and war.

Like many others, Lindberg believes that breaking out through the Danish sound is not a high priority for the Baltic Sea Fleet. He also believes that it is extremely difficult to draw any definite conclusions concerning NATO's nuclear threat in the Baltic Sea region.

Of great interest, however, is this Finnish researcher's compilation of the two sides' material capabilities for devoting themselves to one strategy or the other.

Lindberg points out that the number of heavier units, ships larger than corvettes, has dropped in the Baltic Sea fleet since the 1970's. The number of missile cruisers and missile destroyers has been reduced by more than half. They have been replaced by missile frigates of the modern Krivak class.

The Soviet fleet in the Baltic Sea includes about 550 units, 150 of which are small vessels under 100 tons. According to Lindberg, "It seems clear that the Soviet naval dominance is not so great that breaking out through the Danish belt would seem particularly plausible," even though reinforcements would come through the White Sea Canal from the Northern Fleet.

Of interest here is the report that the West German Federal Navy has been given more and more assignments in the North Atlantic since the 1970's. These have had no connection with the Danish sound.

The Soviet Union needs a large number of antisubmarine units to protect sea transports from the Gulf of Finland to Poland and East Germany.

The number of Soviet submarines is reported to have been relatively constant since the 1970's. The new submarine of the Kilo class, which was observed when the Swedish ship Orion had its collision with a Soviet minesweeper, seems to have left the Baltic Sea, according to Lindberg.

There are probably few naval targets for the use of nuclear weapons in the inland sea, according to the Finn, but he does not rule out the possibility that nuclear charges could be used against Swedish naval bases installed in rocky areas or for mining narrow sounds.

Lindberg is even more cautious when it comes to the possible use of military aircraft.

"Soviet fighters and fighter-bombers from bases in Poland and the Baltic republics can operate throughout the Baltic Sea, Denmark, all of southern Sweden up to the Stockholm region, and over the entire eastern coast of Sweden up to Kvarken," he said.

With bases on Jutland and in northern Germany, NATO can operate with maximum combat effectiveness north of Gotland.

Effective nuclear strikes by NATO fighter-bombers north of Gotland are questionable according to Lindberg, however, because of their limited operational range, although individual strikes of this kind cannot be ruled out.

NATO fighter-bombers are said to have been given so many other conventional assignments that there are hardly enough of them for nuclear tasks. In addition, Soviet fighters from the Baltic area probably would have air superiority over large sections of the Baltic Sea.

Steve Lindberg sees a close link between the nuclear problem and cruise missiles, in particular.

He points out, however, that prolonged passage over open sea is not suitable for these missiles, since they must control their flight path with the help of terrain formations.

He believes that the primary task of the Swedish Air Force during a crisis would be to protect the central portions of Sweden. On the other hand, the southern coastal regions and Gotland could not be protected so effectively that penetration by missiles could be ruled out.

In this case, it must be assumed that Soviet fighters would enter neutral air space to ward of the enemy, according to Lindberg.

Certain American defense circles have proposed the idea of letting fast vessels with cruise missiles operate in the Baltic Sea. It would be more feasible, however, to let submarines with cruise missiles lie in wait in the inland sea.

In his conclusions, Steve Lindberg is careful to point out that military conditions in the Baltic Sea are not static.

He speaks of several "changeable variables."

One such variable is the effort on the part of the West to force the Soviet Union to transfer defense resources northward out of Central Europe.

Another, not altogether surprisingly, is the author's impression that the Soviet Union is exerting stronger and stronger military pressure for political purposes in the Baltic Sea, "including Swedish waters."

According to Steve Lindberg, the goal of this "military bodybuilding" is to support a long-standing effort to make the Baltic Sea into a sea of peace--on Soviet terms. But there is no shortage of articles on this topic in our debate here in Sweden.

9336
CSO: 3650/176

STRENGTHENED INVASION-DEFENSE MINEFIELD OFF NYKOPING

Stockholm DAGENS NYHETER in Swedish 17 Apr 86 p 20

[Article by Sture Ryman]

[Text] Norrkoping--A belt of mines nearly 5 kilometers long is to be laid in Orsbaken off Oxelosund and Nykoping. Next summer, mines will also be laid in Bra Bay and in the approach to Norrkoping. The Navy has received additional funds with which to expand its invasion defense.

But it is not happening without grumbling both from professional fishermen and from people who use the archipelago either as boaters or as recreational fishermen. Anchoring will be banned in large areas, as will landing on a number of islets and skerries. A ban will be placed on fishing not only with trawls and drift nets but also with eel fykes, nets, hooks, and jigs.

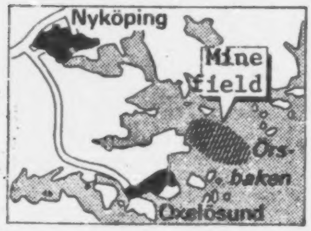
"All fishing will be banned, that is quite clear," says Captain Donald Wedel of the Eastern Military Command, "and a few islands will be closed to the public. But we will try to limit the restrictions.

"The minefield in Orsbaken will measure 4.5 kilometers by 2 kilometers. The Eastern Military Command is responsible for defending the coasts of Ostergotland, Sormland, Uppland, and Gotland, and since the Navy has gotten more funds, we are expanding our invasion defense all along our 270-kilometer-long coast.

"We are dealing with a large area here in Orsbaken, so we must have a decision by the County Government Board. As far as the rest is concerned, I cannot comment or say anything about our plans."

Circulated for Comment

The Sormland County Government Board has circulated the military request to lay mines in Orsbaken for comment to Oxelosund and Nykoping, which are the municipalities concerned, and to the Fisheries Board. Regardless of what those concerned say in their comments, the County Government Board will pass a resolution giving the military permission to lay mines at the end of May. Everyone understands the need for effective protection, and seafarers have not



The minefield in Orsbaken will be 4.5 kilometers long and 2 kilometers wide. Bra Bay will also be mined next summer. The reason is that the Navy wants to strengthen its invasion defense.

been able to prevent the building of military facilities on the islands. That construction has been going on since last summer.

The mines will be anchored on the sea bottom and connected to each other by an electronic strip making it possible to detonate them by remote control. Permission to lay mines in Bra Bay was granted several years ago, and the minelaying will be done next summer. Effective 30 June 1987, all trawl fishing will be prohibited there.

Trawler skipper Thorsten Pettersson is one of those being hurt by the ban on fishing. He leases a number of islands in Orsbaken chiefly for his eel fishing. DAGENS NYHETER met him in the drift snow on the Hummel Bay pier as he and Lasse Jonsson, another trawler skipper, were landing 10 metric tons of Baltic herring--an unusually good catch.

He said: "Well, what can a person do? I realize that they must put a stop to the submarine intrusions--not because I have seen anything, but it happens, of course. But it isn't any fun.

"The people that make the decisions are taking a little bit of water here and a little more there. Pretty soon fishing will be banned everywhere. The SSAB [State Steel Corporation] is going to unload coal from barges at the fishing ground inside Bra Bay, and that will hurt about 50 drift net fishermen. Now the military are taking away my eel fishing, and next summer they are going to lay mines in our trawling water in Bra Bay. And they have put a stop to recreational fishing, too.

"They are trampling on us, and no one can say that they are doing anything to make our jobs and livelihood easier."

"Silly"

At the Fisheries Board in Sormland, Hans-Gunnar Andersson, a fisheries advisory officer, thinks it is sham democracy and completely silly to circulate a matter for comment when the military have been getting ready to lay mines since May of last year.

"The decision was made a long time ago," he says. "Of course, I realize that we must accept barriers and that the military are secretive. I firmly believe those who saw and reported submarines in the area, but I really feel that eel fykes and nets as well as recreational fishing could be allowed. Many islands in Orsbaken are used as nighttime harbors.

"The County Government Board and the military were able to reach an agreement on fishing in mined waters off Harnosand, and the same should be possible here. I feel that their decision is very unfavorable, both for professional fishermen and for people out for recreation," said Hans-Gunnar Andersson of the Fisheries Board.

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CSO: 3650/184

COUNTRY'S MILITARY PLANNERS SHOULD FOCUS ON NORTH ATLANTIC

Stockholm DAGENS NYHETER in Swedish 4 Apr 86 p 3

[Op Ed Article by Carl Bildt]

[Text] The strategic lightning rod no longer diverts all tension to Berlin, but to the Sea of Norway, instead. There is a greater opportunity in our region to exercise strategic pressure in an unclear situation. It is also necessary here to secure one's positions quickly before a possible expansion of a major-power conflict. This was written by Conservative Party security policy expert Carl Bildt in his analysis of the new situation in the North Atlantic.

It has become popular to discuss the danger of war.

The government claims that the danger of war has subsided, since the situation in Central Europe is so stable. With this, they hope to indicate that there is no reason to strengthen our defenses.

Just about 1 year ago it was common to talk about the dramatically increased threat of war. To some extent, the report from the Palme Commission set the tone in the debate. The foreword stated that the "danger of war is greater than it has been in many years."

In a short publication several years ago, Wilhelm Agrell attempted to create order in the debate over the danger of war. His conclusion was that the acute danger of war should not be exaggerated, but that the development of the "structural causes of war" was a cause of considerable concern. He pointed out that this was resulting in "greater difficulty in predicting when, in what situation, and in which forms a war could break out."

I believe that Wilhelm Agrell's analysis is still sound. There is no reason for concern in the short term, but in the longer term it will become more and more difficult to foresee the course of events. Any discussion of the danger of war in the future will be little more than gossip over coffee.

When the government describes our situation, it is often in terms of the situation in Central Europe. Like the Defense Committee, the government points to the deadlock that exists there today.

But it is hardly correct to state that what our defense planning is primarily aimed at is an attempt to utilize our country in connection with impending or ongoing battles elsewhere in our part of the world, primarily in Central Europe.

This was true at one time in the past. That was the perspective on Swedish security policy during the 1950's and 1960's. But it has less and less to do with the realities of the 1980's and 1990's.

The dramatic event that has occurred since the 1960's is that the strategic significance of the North Atlantic region has increased sharply and closer links have developed between this area and the North European region, of which Sweden is a part. The Defense Committee speaks repeatedly in its report about a continuous "North European and North Atlantic region." This is a new concept that reflects a new reality.

Thus, the perspective in our security policy has shifted from an older Central European perspective to a newer North Atlantic perspective.

The Defense Committee is thorough in its description of the basic differences between the Central European and the North Atlantic and North European regions, as well as the trends in the development of these regions. In Central Europe the situation is described as "deadlocked," but there are many references to "changes" in our region.

It seems unlikely that a war would break out like a bolt of lightning from the clear blue, by way of a massive Soviet attack in Central Europe. The nuclear deterrent is in effect there.

Rather, the danger of war lies in the risk of a confrontation between the United States and the Soviet Union somewhere in the outskirts of the enormous Eurasian land mass, such as in the "zone of instability" between the Bosporus and the Indus River. It is difficult to predict the risk of such a confrontation between now and the year 2000, for example, but few are prepared to write off this danger entirely.

The risk of an immediate spread of such a conflict to North Europe is much greater than the danger of it's spreading to Central Europe. The strategic lightning rod no longer conducts all tension to Berlin, but rather to the Sea of Norway. In our region, there is a far greater chance of exerting strategic pressure in an uncertain situation. At the same time, it is necessary here to secure one's positions quickly in the face of a possible expansion of the conflict.

As a necessary precaution before a possible expansion of a conflict in some part of the world, both the United States and the Soviet Union will take steps that directly affect our region. These measures will cause a greater danger of rapid escalation to open warfare here than in other regions.

The Soviet Northern Fleet will try to establish itself rapidly in the North Atlantic. The Atlantic Fleet of the United States will try to establish itself rapidly in that same region. The former will move down toward the south. The latter will move up toward the north.

Air operations from land bases and aircraft carriers--including Soviet carriers during the 1990's--will be intense. Massive air reinforcements can reach the area within days.

It is becoming less and less likely that the Baltic Sea and its inlet and outlet regions will remain outside this strategic chess game.

Some of the planning for these crisis and prewar operations has been described by the United States in a document entitled "The Maritime Strategy," which was recently published and which Ola Tunander made extensive use of in his article (DAGENS NYHETER, Debatt, 20 Feb). The Soviet planning remains secret, but the combination of a clearly offensive doctrine and the type of exercises we have seen, for example, during the summer of 1985 give a clear indication.

In a certain situation during a crisis or prewar phase of this type, the danger of a lightning Soviet operation against NATO positions in Norway would be extremely high. It must come early and quickly in order to succeed. The realization that this danger exists will lead to extensive preventive measures by NATO. Sweden's situation will become extremely precarious at an early stage.

This newer North Atlantic perspective places greater and, to some extent, different demands on our security and defense policies than those made by the older Central European perspective.

In the past, we could think primarily in terms of war: wait until war broke out in Germany, order a full mobilization, and counter a major invasion. Now we must think more in terms of crises: follow every change carefully, make military and political contributions toward stability, and maintain the military capacity to deal with rapidly changing and unexpected situations.

Previously, it could perhaps be said that the ability to deal with major invasions across the Baltic Sea or Tornealv was enough and that everything else was less important. Now we must also be able to deal with darker, lighter, and rapidly shifting so-called gray-zone situations, realizing that "during crises, violations can draw us into more and more difficult situations and, ultimately, into war," as the Defense Committee recently stated.

To be sure, it can be difficult to understand these new strategic realities and the demands they present. There are also many ways to try to avoid this realization.

One way is to lock oneself into the old Central European perspective and, based on this perspective, to claim that the danger of war has been reduced.

Another way is advocated by SIDA (Swedish International Development Authority) chief Carl Tham in his DAGENS NYHETER article of 14 February, in which he indicated that we were "out of step with international developments" and the improved climate between Reagan and Gorbachev. But this was precisely what led to the confusion in Swedish security policy during the 1970's: the illusion that the dynamics of major strategic developments are affected by shifts in the political climate. We should have learned our lesson.

Strategic developments have their own dynamics, apart from political variations. The Defense Committee has stated that the trend toward an increase in the strategic significance of our region was "unequivocal apparently will continue during the foreseeable future." In addition, the Soviet author who goes under the pseudonym Kommissarov recently wrote that the strategic importance of our region had "increased sharply."

The contribution that our overall policy of neutrality can make to stability in the north is a function of both our foreign and our defense policies. The strength of the whole is determined by the strength of its parts. We learned this difficult lesson during the war years. From 1940 to 1942 our neutrality wavered because its military component was too weak.

The importance of our defenses in maintaining stability in Northern Europe has increased as the North Atlantic perspective has gained greater acceptance. At the same time, however, these defenses have become weaker.

This trend must now be reversed. If it is allowed to continue, Sweden is in danger of undergoing a gradual change from being a factor of stability to becoming a factor of instability in the more and more important North European and North Atlantic region. The consequences can be serious.

We are not in control of the danger of war in remote sections of the world and our possibilities for judging these risks far into the future are limited. But we will be realistic enough to realize that the overall strength of Swedish security policy can dampen the structurally increasing risk that an acute superpower crisis or a war could lead to open warfare in the north, as well.

A continued weakening of Swedish defenses will increase the risk to Sweden and the northern region. A stronger defense will reduce the danger.

The choice is ours.

9336
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ACUTE SHORTAGE OF AIR RAID SHELTER CAPACITY IN STOCKHOLM

Stockholm DAGENS NYHETER in Swedish 30 Mar 86 p 12

[Article: "Acute Shortage of Air Raid Shelters in Stockholm"]

[Text] There is an acute shortage of air raid shelters in central Stockholm. In the event of war, there will be room for only 600,000 people. At least 580,000 more spaces are needed. In addition, in the event of a crisis, only certain sections of the subway may be used as shelter.

Many stations are below the level of Lake Malaren. People seeking shelter at T-centralen, Kungstradgarden, or Ostermalmstorg would be drowned if a bomb were to hit the protective gates, according to an article in the latest edition of AKTUELLT on the Civil Defense.

Leave Town

The shortage of air raid shelter capacity means that more Stockholmers than the desired number would have to leave the city. It would be impossible to carry out the Civil Defense plan for Stockholm, whereby only the elderly, children, and the ill would be evacuated and those in good health would remain, working jobs in production near the shelters.

The shortage of air raid shelters is in central Stockholm. There is more than enough room in suburbs such as Skarholmen, Vallingby, Farsta, Tensta, and Rinkeby.

There is a severe shortage in the downtown area, however. Shelter region 122-1 in Ostermalm and Vasastaden, for example, is 1,700 x 900 m. Space is needed for 37,794 persons, while there is room for only 871, according to AKTUELLT.

There are two reasons for the shortage of air raid shelter capacity in central Stockholm. One reason is that from 1950 to 1970 the authorities believed that terror bombing with nuclear weapons was the greatest threat. In that case, air raid shelters would be of no use. Only evacuation could help.

Now it is believed that war with conventional weapons is possible. As a result, from 1950 to 1970 no air raid shelters were built in 14 Swedish towns. During that same period, however, the entire downtown area of Stockholm was rebuilt.

Tunnels In Rock

Unfortunately, it is efficient to build shelters only during construction of the building. Constructing shelters afterward is much more expensive.

Now the Civil Defense intends to use evacuation, construct so-called protected areas, and use the subway system.

The best tunnels that are located above the level of Lake Malaren are found in Sodermalm. They are located in rock. The Hotorget, Radmansgatan, Odenplan, and St. Eriksplan stations are also sufficiently high, but they are not in rock.

"The problem is to get people down into the shelters during the 2 or 3 minutes we have after the air raid alarm sounds," said Roland Nilsson of the county government's defense unit.

"Many people work far away from the subway stations and, in addition, it will be extremely crowded in the entryways."

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NAVY'S LONG-TERM BUDGET NEEDS TO STOP SUB INCURSIONS AIRED

Stockholm DAGENS NYHETER in Swedish 30 Mar 86 p 8

[Commentary by Anders Ohman]

[Text] "God and the Navy we adore when danger threatens--not before."

This was stated by Queen Anne Stuart of England 300 years ago. These words were quoted by naval chief Bengt Schuback when he spoke before the Royal Society of Naval Sciences recently. The naval chief's loose translation was as follows:

"The danger is already here."

"It is time to increase our numbers."

The Navy is now at the center of the debate over the Defense Resolution of 1987. What numbers is the naval chief talking about, how strong does the commander in chief believe that the Navy should be, and what are the politicians thinking?

High quality, but too little of everything--this summarizes the Navy's view of itself today.

In 1985 the commander in chief reported 15 cases of foreign underwater activity along our coasts. This is the result of a thorough analysis of hundreds of reports.

It is these continuing intrusions to which Admiral Schuback refers when he speaks of the "danger."

Despite an intensified submarine hunt with all available resources, the Navy has been unable to stop the intrusions--much less force a foreign submarine up to the surface.

The naval chief points out that it is impossible to guard the 2,700-km Swedish coast with the approximately 50 vessels the Coastal Fleet now has. Sweden has the longest coastline of any Baltic Sea country.

In just over 20 years, the number of surface vessels and submarines has been reduced by one third and one half, respectively. These were the consequences for the Navy of the defense resolutions in the sixties and seventies.

These resolutions were made on a different--and more favorable for Sweden--security policy background. The Defense Resolution of 1972 meant, in practice, that our entire capacity to hunt submarines was scrapped.

At the same time, possible attackers in the vicinity have sharply increased their naval forces. The reduced capacity of the Navy can be seen in the following table, which is taken from the plan entitled OB 85:

	1967	1987	Change
Surface vessels	57	34	-23
Submarines	24	12	-12
Minesweeping flotilla	14	8	- 6
Coastal artillery battalions	40	29	-11

New Force In 1990

The Navy is now hunting foreign submarines with an antisubmarine force that is being expanded and is expected to be complete around the year 1990. The latest addition includes vessels of the "Stockholm" coastal corvette type, which are expected to sharply increase the durability of the antisubmarine force and improve its ability to follow a submarine for a long period of time.

An antisubmarine force can consist of five coastal corvettes, five patrol boats, two or three submarines, two or three minesweepers, five or six heavy helicopters, and stationary surveillance systems for certain areas.

With regard to the Navy, the defense debate deals primarily with how many such antisubmarine forces it can have to stop the submarine intrusions. One force is too little. It can cover only one section of coast at a time and several foreign submarines appear simultaneously along the Swedish coast, according to the naval chief.

The Navy has related the number of antisubmarine forces to the various levels of allocations in the commander in chief's plan OB 85, which gives guidelines for the military during the coming 5 years.

The various levels in the OB 85 plan for the period 1987 to 1992 would provide the following amounts of money, in billions of kronor, to the Navy:

OB level	19.5
Plus level	18.4
PP level	17.6
Lowest level	17.3

According to Lennart Ljung, the OB level would provide a necessary restoration of the capacity of the Swedish military, considering the possible aggressors in the vicinity of Sweden. This would mean a 3-percent increase in defense appropriations.

Lowest Level

The PP level is the present program plan level, i.e. unaltered appropriations. The plus level is the highest level advocated by the politicians. The lowest level would mean a reduction in defense spending. The chiefs of all branches of service have expressed differing opinions on these levels to the commander in chief.

The Navy says that the OB level would provide two antisubmarine task forces by the year 1997 and three by the end of the century. The plus level would provide two antisubmarine forces by 1990 and the PP level would provide two task forces by 1999. The lowest level would result in two forces by the end of the century.

Naval chief Schuback is not satisfied with the rate at which these antisubmarine forces are being formed. He wants to see a more rapid rate.

Four antisubmarine task forces by the year 1997 and six by the year 2000 would satisfy him. He maintains that this more rapid expansion would benefit the entire Swedish invasion defense.

Losing Momentum

In order not to lose momentum, Bengt Schuback wants a decision to be made as early as 1987 on outfitting a second antisubmarine force.

The naval chief seems to have lost the first round in the defense policy debate, however. The Defense Committee recently decided to have the commander in chief study the consequences for the military of various spending levels, in hundreds of millions of kronor, above the present program planning level. The level advocated by the commander in chief himself was ruled out in this first round.

The naval chief immediately sharpened his tone and accused the Defense Committee of making contradictory statements.

He pointed out that pure indecision or uncertainty must not cause Sweden to wait until the second half of the nineties before it completes the formation of its next antisubmarine force. Measures against submarine intrusions cannot be reduced if we are to avoid a crisis in confidence both at home and abroad, according to Bengt Schuback.

Contradictory

The contradictory element in the Defense Committee's proposal is that it expresses a need to strengthen antisubmarine measures, while refusing to provide funding for the next antisubmarine force in the Defense Resolution of 1987.

"This means we will lose an unreasonable amount of time, perhaps up to 5 years. We cannot invest half-heartedly in something that is so important," said Bengt Schuback immediately after the Defense Committee issued its statement.

Now he is warning against additional delays of up to 8 years. He sees the OB level as an "absolute requirement."

A decision concerning the next antisubmarine force must be made in 1987, the naval chief repeated.

He is hardly expected to resign if the politicians do not do as he says. High-ranking officers seldom resign. Instead, they try to make the best of the money the receive. But the sharp words of the naval chief must not be ignored.

Counters Criticism

The Defense Committee chairman, undersecretary Per Borg, countered this criticism by stating that the committee had given antisubmarine defenses the same priority as the commander in chief. Borg understood the naval chief's vocal response to be a signal indicating that he had been promised too little money.

Per Borg also said that during the next round of the defense debate the commander in chief could reintroduce his own level of spending. The highest military leadership will discuss the Defense Committee's directives and their consequences in the near future.

The Navy's dilemma is not only a matter of ships and weapons. There is also a personnel shortage. Many highly trained technical specialists are leaving the Navy early. Spending for overtime pay has tripled since the beginning of the eighties.

Losing Heart

There is talk about ruthless exploitation of personnel. Helicopter pilots have lost heart and sought other jobs. Officers are expressing dissatisfaction.

The naval chief is calling for an additional 100 professional officers. The goal is to stop early retirement and increase the number of new recruits.

Will the creation of more antisubmarine forces--which cost the Swedish people billions of kronor to form--stop the submarine intrusions?

The military can give no guarantees on this point. In times of peace, no Western country has managed to force a submarine to the surface and to disarm it.

Our Duty

"In the future, it will continue to be our duty and our resolute intention to utilize all available means to maintain the territorial integrity of Sweden," according to the security policy section of the 1985-1986 budget proposal.

This security policy signal cannot be misunderstood. Now it is a question of how many billions the Swedish people and their elected representatives want to invest in antisubmarine measures.

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MILITARY SWEDEN

600-PAGE REPORT DETAILS 'COMPUTER SOCIETY' VULNERABILITY

Given 'Secret' Classification

Stockholm SVENSKA DAGBLADET in Swedish 2 Apr 86 p 6

[Article by Willy Silberstein]

[Text] Computerized Sweden has become so sensitive that a government report on the vulnerability of a number of government agencies has had to be classified secret. If its contents are divulged, the country's security may be threatened, according to the National Police Board and the supreme commander of the Armed Forces [OB].

A year or so ago, the Swedish Agency for Administrative Development [STK] was instructed to survey security problems in the computer systems of government agencies.

The result is a hefty volume of approximately 600 pages. But because it has been classified secret, only personnel in the Ministry of Civil Service Affairs, the National Board of Economic Defense, the Ministry of Defense, the Office of the OB, the Institute of Defense Organization and Management, and the FOA [Defense Research Institute] will be allowed to read the report.

"We cannot release the report because of the Secrecy Law," says Mikael Franzen, head of division at the STK. "Not everything in the report is secret, but if we excluded certain information, it would be possible to see what we had skipped, and that would cause harm."

Among other things, the Secrecy Law says that secrecy applies to information which "is concerned with activity to protect the country or with planning or other preparations for such activity or which otherwise affects total defense, if it can be assumed that the country's defense will be harmed or that a danger to the country's security will be created in some other way if the information is disclosed."

But the STK is going to write an abridged version for publication so that government agencies can study some of what has been learned.

Experts not Surprised

The fact that government agencies are so vulnerable that the country's security would be harmed if information were published does not surprise experts involved in computer security.

That vulnerability results partly from the fact that computer systems have become so big. As an example, it can be mentioned that 1 out of every 4 kronor consumed in the private sector comes from the Social Security Administration's giant computer in the form of checks covering child allowances, pensions, and sickness benefits.

Rabbe Wrede was once a member of a government commission known as the Committee on Vulnerability, which concerned itself precisely with security questions. He says that many of the mishaps which occur in government agencies and in firms are hushed up and that the truth seldom comes out.

Harder To Find Malfunctions

"But I know there have been malfunctions in computer systems which have led government agencies to make decisions based on erroneous information. And it becomes even harder to find the errors when the computers of several agencies are interconnected--a situation that is quite common nowadays."

As an example, at one government agency, an intermediate header grew too long for a data list and had to be shortened to make room. After a few years, however, everyone had forgotten what it stood for, and the information was used in the wrong way.

There are also several examples from abroad of the vulnerability of computerized systems. In Italy, the entire Driver's License Registry was destroyed.

"One Italian I know had still not received his new driver's license after 2 years. I don't know whether the registry has been put together again yet," says Thomas Osvald, who was also a member of the Committee on Vulnerability.

Information Disappeared

Osvald has another illustration, this one from a Swedish law office, of how dangerous it can be to depend entirely on a computer system. The accounting data for the previous calendar year had been entered in a computer. The data disappeared. But the accounting records were also in reserve on a so-called backup. The only problem was that when the backup system was entered, that data also disappeared. Result: the accounting records for the entire year had to be posted all over again--a tremendous job.

"Putting it simply, one can say that it is not sensible to become as vulnerable as we have. In many places, people have grown so dependent on computers that the good old manual routines have been forgotten," says Nils Ryden, a department head at the Data Inspection Board.

If the post office computers break down, the employees can do their jobs with pencil and paper. But if a bank's computers go down, activity must stop, says Ryden.

Steps Must Be Taken

All experts agree that steps must be taken to reduce vulnerability. Rabbe Wrede says that one solution is for the heads of government agencies and firms to take greater responsibility for their data processing systems. They often know altogether too little about the matter.

Wrede says: "It may also be a good thing to lower our ambitions so that not so much is stored in computers."

Group To Study Remedies

Stockholm SVENSKA DAGBLADET in Swedish 3 Apr 86 p 8

[Article by Willy Silberstein]

[Text] An expert group is going to help firms and government agencies become less vulnerable to computer breakdowns. Bo Holmberg, minister of civil service affairs, will be responsible for the group, which will have Allan Eriksson as its chairman.

SVENSKA DAGBLADET reported on Wednesday that a report by the STK on the vulnerability of government agencies in the area of computers had been classified secret. The reason: if that report were circulated publicly, the country's security might be threatened.

Questions of vulnerability were studied for several years by the Committee on Vulnerability, which tried, among other things, to persuade firms and government agencies not to become too dependent on computer power. But that committee recently concluded its work.

Forming a Brain Trust

The activity will continue, but in a different form. Ministers Bo Holmberg, Sten Wickbom, Roine Carlsson, and Thage G. Petersson will set up a brain trust consisting of people deeply involved in the question of vulnerability in the field of computers.

Allan Eriksson has not been appointed chairman officially, but the Ministry of Justice confirms that he, along with 11 other persons, will pursue the matter of vulnerability.

Allan Eriksson describes the STK's classified report as a genuine terrorist's Bible.

"For anyone who is interested, it contains many tips on ways to wreak great havoc," he says.

Alternative Routines

According to Allan Eriksson, government agencies are often less interested than firms in reducing their vulnerability. The profit motive and daily dependence on the proper functioning of their activities have induced the firms to see to it that there are alternative routines in case the computers do not function.

"If a firm's production stops for a few hours or a full day, the results can be catastrophic for the firm. On the other hand, if the computer at the National Tax Board shuts down for a while, that fact is not noticed in the same way.

Easier To Achieve Results

"At the same time, it ought to be easier in one way to achieve results in the government agencies, because the government can issue directives.

"When we on the Committee on Vulnerability were looking at those questions, our minimum requirement was that agencies concerned with total defense should analyze their vulnerability and their disaster plans. And doing so will not cost much."

Allan Eriksson says that at any rate, awareness has increased among computer users. When the first government committee began pursuing questions of vulnerability in 1977, its activity was regarded as something almost exotic or frivolous. Many people now realize how big the problems are.

11798
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PROBLEMS, PREPARATIONS SEEN FOR BANK PRIVATIZATIONS

Banks Looking for Capital

Paris LIBERATION in French 25 Apr 86 p 12

[Article by Claude Soula]

[Text] Privatization of the banks is well advanced. And it will probably be the most difficult of all the denationalizations. No matter what else can be said about it, a bank is not exactly a firm like the others. And despite their apparent good health, as shown by markedly higher profits this year--PARIBAS [Bank of Paris and the Low Countries] broke all records with a 52-percent increase in its profits--it has been seen that their problems are not just a matter of details.

Will the banks, including the "big three" nationalized after the war (the Lyons Credit Bank, the BNP [National Bank of Paris], and the General Company), be able to return to the private sector? Some of them were in distress in 1982, but have managed to regain health since then. The Vernes and Worms Banks, the European Banking Company, and the former Rothschild Bank are again showing a profit. But all the banks (except the Agricultural Credit Bank and, to a lesser extent, PARIBAS) are deficient in funds of their own--that is, money which they have been able to secrete from their profits and which is really their own. Although international standards of good management require that such funds total 5 percent of loans granted and the Bank of France requests a rate of 6 percent, French banks barely reach the 4-percent level.

Is that an abstract ratio? No, because the international credibility of the banks and the rates at which they are granted loans depend on it. The only two French banks rated "AAA"--the best possible rating--are the Agricultural Credit Bank and PARIBAS. The classification of the other banks would probably be worse than it is if they were in private hands: "They trust us because they know the French state stands behind us. Without that, our credibility would be very low," admits the chairman of one of the banks nationalized in 1982.

That criterion may not matter as much as people say. At least for one reason: privatization might well cure the banks of their chronic undercapitalization. "If the state privatizes us by issuing new shares, we are the ones who will get the money. And that will strengthen us," says Michel Pebereau, head of the Commercial Credit Bank of France [CCF], which, along with PARIBAS and the Indosuez Bank, is among those heading the list of banks to be privatized.

But another possibility, and one that would not particularly favor the "solidity" of the banks, is that the state might simply sell its shares. Since the government would be counting on the proceeds to improve its budget, the hopes of Michel Pebereau and the other bankers might be disappointed.

The other obstacle to denationalization will be sales price. "The Suez Finance Company was appraised at 4 billion francs. The success of its latest issue of investment certificates proves that it could be sold for at least 15 billion francs. Peyrelevade has certainly pulled it off," comments one of his colleagues. The bidding is going up fast. When considered on the same basis as Suez, PARIBAS becomes almost unmarketable. And the General Company, which is the only one of the big three that can be easily privatized, would also cost in the neighborhood of 15 billion francs.

When placed end to end, all those sales threaten to dry up the French financial market. Fortunately, some bank chairmen have made the first move by transferring one-fourth of their capital (Suez and PARIBAS) to the public in the form of investment certificates, which are similar to nonvoting shares. It would take only a law converting those certificates into shares, and those banks would already be partially privatized. In the case of Suez, it is already known that the duo consisting of Jean-Marc Vernes (former managing director of the bank of the same name, which is now part of Suez) and Jack Frances (associated with Victory Insurance--controlled in part by Suez--and a former Suez stockholder) is in the running and has set up a sizable kitty.

The return to the private sector by PARIBAS and Suez seems natural. Pierre Moussa, former chairman of PARIBAS, recently described "the idea of a state-owned merchant bank" as ludicrous. He was not wrong. In the case of the other banks, everything depends on their structure and orientation. The CCF, for example, should be the first bank with branches to be privatized. Its chairman explains: "We have only 225 windows in France and 7,000 employees. There is no overstaffing, and we are leaders in home banking services." To that must be added the bank's past and the weight carried by its former chairman, Jean Leveque, who in 1982 championed the cause of the nationalized "small stockholders."

It now remains to be seen who will profit from that privatization. At a meeting in January which he had organized with his former stockholders, Jean Maxime Leveque appeared very concerned about the future of "people's capitalism," fearing that the entire operation would be carried out at a level beyond the reach of private individuals. For its part, Suez has just set up a wage fund in which the savings of employees will be directed toward the purchase of shares in their company.

General Company Notes Handicaps

Paris LIBERATION in French 25 Apr 86 pp 12-13

[Article by C. S.]

[Text] "Persuading our customers that we will have to bill them for services when we are announcing an exceptional rise in profits will be difficult. The current situation is completely abnormal." Jacques Mayoux, chairman of the General Company, might have smiled yesterday, though, as he announced that profits for his group were up by 41 percent. The group will pocket 1.3 billion francs this year, compared to "only" 927 million francs last year.

Mayoux remained calm, however, merely stressing from the start the "importance of such results to the stockholders, whoever they are." He then dwelt at length on all the abnormal costs which he said burdened a bank. He was referring not to service charges on such things as checking accounts--although he considers them "inevitable"--but to taxes and red tape. "The cost of a checking account is such that we cannot lend money at less than 7 percent. Unless we lower our breakeven point, which is what any industrial firm does."

Taxation is the prime culprit among those "irreducible" fixed expenses. "Special bank taxes cost us 1.2 billion francs. Without them, we could shave 2 points off the interest on loans." He fears that those costs will rise even more with the increase in compulsory reserves that must be deposited in the Bank of France, a measure he described as "going directly against the tide."

In his hunt for unnecessary expenses, he latched on to a new adversary: "red tape." "France is the only country in the world where a bank must provide the central bank with a file on every loan granted." Estimated cost of those overly finicky rules: 300 million francs for the General Company alone. The bad habits attributed to customers are therefore not the only ones weighing on the bank's operating accounts. Jacques Mayoux seemed clearly less anxious to make his customers pay than the state.

That reflects a very independent attitude toward the entity which is still--and will remain for a long time to come--his chief stockholder and boss. At present, 17 percent of the capital is in the public's hands in the form of investment certificates. By the end of the year, one-fourth of the capital will have been transferred. Selling the rest will not be as easy. Despite his bank's good results, it still needs another 11 billion francs in its own capital to satisfy the criteria for good equilibrium.

BNP To Issue Certificates

Paris LIBERATION in French 25 Apr 86 p 13

[Article by Thierry Philippon]

[Text] The BNP, the first of the French banking monoliths, is getting in line for its turn at privatization. The bank announced yesterday that it was going to issue investment certificates totaling 3.88 billion francs. The BNP is not really innovating when it issues nonvoting shares, since PARIBAS, Suez, and the General Company did so first. But it is nevertheless setting a double precedent.

This is the first time since the change of government that a state-owned enterprise has gone to the financial market. After thinking it over for a few weeks, Edouard Balladur's staff has therefore given its approval. At the same time, it is providing some information on how the denationalizations will take place. The certificates being offered by the BNP are the first not to offer the bearer a preference dividend as compensation for not being allowed to vote. Since the bank is not being very generous to its subscribers, it can be supposed that these certificates will change their spots within a few months and become genuine shares.

On the other hand, the BNP does not seem to be first on the list of companies to be privatized as a matter of urgency. Balladur is playing the role of a responsible and pragmatic minister. One cannot do everything at once, but the banks which need to strengthen their capital can begin preparing for limited nationalization [as published]. Some institutions such as the Lyons Credit Bank, which have also prepared "privatization certificates," may soon bring them out of the "oven."

The BNP does not seem to be making a bad deal. The 8 million certificates are being offered at a price of 485 francs, and that compares to a profit per share of 46.80 francs in 1985. That is a rather reasonable value, and it should enable the bank to sell them through its network without too much difficulty on the strength of an unanswerable argument: "Our capital is of interest to you." Customers who will soon have to start paying for a number of services, notably the expense of maintaining an account, can always recoup some of their cost in the form of dividends.

The reason is that the BNP, which is the seventh-largest bank in the world, is still doing rather well. Its chairman, Rene Thomas, showed satisfaction as he presented the accounts. Net earnings from banking activity rose by a modest 4.9 percent last year to 27.6 billion francs, but the consolidated results for the BNP and its subsidiaries (before taxes and reserves) are up by 7.8 percent. And the group's net earnings after taxes really exploded, rising by 21.6 percent to 7.99 billion francs.

On the other hand, the balance sheet shows a surprising drop in reserves for bad debts and other risks (5.2 percent). The fact is that the BNP appears to be the most vulnerable of all French banks to the dangers of a suspension of payment by certain debtors in the Third World. In any event, the supervising minister, Edouard Balladur, will have no reason to complain about bank accounts.

Nor will the employees, because Rene Thomas is going to show particularly fine style in the matter of participation. The chairman of the BNP, who is getting ready to place 15.8 percent of the bank's capital in the hands of the public, has not forgotten his personnel: a maximum of 10 percent of the investment certificates will be set aside for employees. This is the first life-size implementation of participation and "people's shareholding."

Indosuez Bank's Sour Note

Paris LIBERATION in French 25 Apr 86 p 13

[Article by T. Ph.]

[Text] It has become a tradition: political alternation at the pinnacles of the state generally produces very fine balance sheets in public-sector enterprises. The results presented yesterday by the Indosuez Bank therefore strike a somewhat sour note in a very uniform chorus of banks. The chairman of Indosuez, Jean Peyrelevade, was definitely unlucky last year. Events piled up one after the other, and he probably was unable to present the results he would have liked. He himself admitted that "the results were somewhat disappointing overall."

But his bank did not do badly in France and Europe, where overall results were better by 50 percent. Despite increasingly keen competition in the financial markets (bonds, treasury bills, and so on), the Indosuez Bank increased its market share in France. It also continued to recenter its activity on Europe by establishing a subsidiary in Norway and a branch in Turkey. Lastly, the bank bought a minority interest in a German establishment.

The only trouble was that it got somewhat burned by the decline of the dollar, with the result that overall, the bank's consolidated profit rose by only 11 percent to 625.5 million francs. In addition, the Indosuez Bank's historical bastions in Asia and the Middle East experienced difficulties. In Saudi Arabia, its subsidiary's results were down by 40 percent. Profits by the Al Saudi Bank, which contributed 25 percent of the overall results in 1984, dropped to 5 percent last year. The drop in petroleum prices is causing petrodollars and banking activity to melt away. Competiton is also tough in Asia. Indosuez suffered from the recession in Indonesia, and its rather successful establishment in Japan remains to be confirmed. Lastly, it is not likely that the subsidiary opened in Nepal last year is going to produce quick results.

The result is that 1986 will be a year of consolidation. The chairman indicated that the first quarter had been "good." But Indosuez will have to swallow the Vernes Bank by accepting 90 percent of the capital from its parent group, the Suez Finance Company. In view of those problems, Jean Peyrelevade did not do so badly, and the effect of his activity as head of the Indosuez Bank remains favorable. It remains to be seen whether that will be enough to enable him to keep his job in upcoming months.

11798
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BRIEFS

HOPES FOR 'BRIDGE' DASHED--In a hot climate like Luanda, a cold shower has just been the lot for those pour souls that were convinced that one of the advantages of Portuguese membership in the EEC would turn us into a "bridge" between the European Community and the Lusophone African countries. The summit that just took place in Angola took care to remind us that each of the five countries present [Angola, Mozambique, Guinea-Bissau, Cape Verde and Sao Tome and Principe] deals directly with the EEC and does not need in the least Lisbon's good offices in this regard. This is one more illusion that our "Europeanists" are losing, if they had it at all at one time or another. [Text] [Lisbon O DIABO in Portuguese 6 May 86 p 20] /12858

CSO: 3542/102

BRIEFS

WHOLESALE PRICE INDEX--The State Statistics Institute has announced that the wholesale price index increased by 2 percent in April, 28.7 percent during the past 12 months, and 10.2 percent during the first 4 months of the year. The wholesale price index increased by 10 percent in the agricultural, manufacturing, and energy sectors during the first 4 months of the year, while it decreased by 7.5 percent in the mining sector as a result of the drop in crude oil prices. [Text] [Ankara Domestic Service in Turkish 1800 GMT 10 May 86] /9604

CSO: 3554/395 END

JPRS-WER-86-057

12 JUNE 1986

West Europe Report

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12 JUNE 1986

WEST EUROPE REPORT

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POLITICAL BELGIUM

PROSPECTS, STRATEGY, PRIORITIES FOR WALLOON SOCIALISTS

Brussels LE SOIR in French 29 Apr 86 pp 1, 2

[Article by Claude Demelenne, author of the book "Le socialisme du possible -- Guy Spitaels: changer la gauche?" (The Socialism of the Possible -- Guy Spitaels: To Change the Left?), published by Labor: "What Future for the Socialists?"]

[Text] A curious destiny, indeed, that of Guy Spitaels' Socialist Party [PS] ... On the Belgian political scene, the period 1981/1986 has unfolded entirely under the sign of the progressive estrangement of the left from the major decision making centers. Having to start with being excluded from the national government, the socialists have recently experienced an identical fate at the level of the Region and the Community. At no time however since the beginning of the eighties, whether in power or in the opposition, has the PS ever been in the least punished by the voters. On the contrary: during the last 5 years, Guy Spitaels' party has unquestionably been strengthened.

Unlike their Flemish counterparts, in the opposition the French speaking socialists have not demagogically shifted to the left their position on the main issues of economic policy and national defense. During the Martens V administration, Guy Spitaels launched himself into an educational program concerning the crisis neglected far too long by the left, and took care to warn his troops that "tomorrow, everything will not be possible."

During the same period of time, the PS began to "open up." An electoral opening, to be sure (in the direction of the RPW [People's Walloon Rally], the Christians, the center-left federalists who came from the RW [Walloon Rally] and the FDF [Democratic Front of Brussels French Speakers]...), but also to a certain extent an ideological opening: the socialists thus rediscovered the role of the enterprise, rehabilitated profits, took a stand in favor of an active consensus among the French speakers to fight the crisis, and questioned, albeit in a yet timid way, the notion of class struggle.

Hence, under the thrust of the crisis, the socialists have changed a great deal without giving up being themselves. Today, the socialism of the possible, dear to Guy Spitaels -- a socialism with ultimately very "Fabius-like" emphases -- is virtually unanimous on the left. Having been intoxicated for a long time with high masses and euphoric speeches, the people on the left have opened their eyes to a whole series of facts and constraints which cannot be avoided. How could one not rejoice about that?

Overall then, the PS is doing well. However, the socialists are not very happy. Logic: for 4 years they have done everything to prepare their return to power. A waste of time... The "victory-defeat" of the left at the elections of 13 October has left them in a complete state of shock.

But life goes on... After a short period of drifting, the socialists have developed a new strategy of opposition to the Martens VI administration. Deprived of all partners at the political level, the PS has chosen to close its ranks and to bet on an ever closer association with the FGTB [General Federation of Labor of Belgium]. Press conferences, drawing up and distributing tracts, pamphlets, a campaign to sensitize and mobilize public opinion...: at the level of Wallonia everything, or nearly everything, will be done in common.

This flawless cohesion observed within the socialist family surely constitutes a trump card for the left. All the same, over the next few months the PS will have to play it tight. As a matter of fact, the socialists will have to guard against the possible perverse effects of their association with a union organization whose trade image -- everyone within the PS must be aware of this -- is frankly negative and outside the traditional electorate of the left. The unions have had a harder time digesting the economic changes of this latter part of the 20th century than have the socialist or social democratic parties -- the majority of which have been in a process of accelerated modernization over the last few years. Characterized by the defense of causes most often just, with the aid of methods of action and a language largely obsolete, the traditional union arguments are no longer successful. The PS cannot ignore that malaise and that relative discredit of the leftist union movement. To bet everything on the momentum of a PS-FGTB axis in Wallonia would represent at least a risky calculation on its part.

Besides, too pronounced a PS-FGTB axis would end up reinforcing the labor and militant lay profile of Guy Spitaels' party. At a moment when it has a vital need to broaden -- to diversify -- its social and philosophical base, such a reinforcement does not seem desirable at all. As a matter of fact, if it continues to be perceived as the party of the Quaregnon charter, of the working class in the strict sense of the word, or of the ultra lay struggle, the PS will fail in its attempt to extend its influence beyond its traditional electorate.

What are the priorities then for a Socialist Party which has the ambition at the same time to fill up on leftist votes and to rally to its cause "those who have been disappointed by the Martens VI administration"? There is no lack of them. As for us, we will retain six of them, the majority of which are similar to authentic challenges involving the long term future of the left.

- First of all, put an end to being out of touch by the left in terms of speeches and symbols. Socialism loses its credibility when it obstinately insists on tacking a worn-out vocabulary onto a reality which has profoundly changed. Capitalism, remodeled by more than a century of labor victories, is obviously no longer hell. In spite of its seriousness, for most of us the current crisis has not created the veritable human dramas experienced by our grandparents during the great depression of the thirties. To live fully with the times, the left will not be able to avoid a revision of its ritual, its liturgy. The "final struggle," the theme of the break with capitalism, the slogans that concentrate on the sordid aspects of life which some socialists are still fond of, no longer have a place in the speeches of the left remaining loyal to its past, true, but searching for a younger, more current look. For the first time, during their recent congress in Toulouse, the French Socialists did not disperse with the singing of the "International." Were they wrong?

- Not leave the monopoly of modernist speech oriented toward the 21st century (new technologies, flexibility...) to the parties of the current majority by falling back on an automatic and tense defense of the slightest social gain. New values are emerging, specifically among the young: aspiration for greater individual autonomy and freedom of choice at all levels, the desire to organize one's working hours in a more flexible manner, identification with positive heroes, "winners" (heads of enterprises such as Bernard Tapie, for example...), rejection of the old ideologies, but untouched availability for a mobilization of an essentially moral nature (the "Don't touch my pal" campaign, concerts to benefit Ethiopia, the Coluche-Restos operations of the heart...). It would be suicidal for the left to ignore them.

- While fiercely continuing to defend the great values of solidarity, social justice and democracy, emphasize the renewed questioning of a certain number of political recipes long brandished by the left, but which today have been completely overtaken and rendered useless. The majority of the great utopias, the great myths which fashioned the identity of socialism until the late seventies (nationalizations, self-management, global recovery through consumption, single school system...) have aged a great deal. Now they no longer cause people to dream, no longer interest anyone. That is why the left urgently needs to renew its political culture. In order not to get lost, when it returns to "business," in soulless pragmatism and rigor, it must endeavor to recover as soon as possible the moving myths, the great designs which are really mobilizers and cathalysts of energy.

- Renew a continued dialogue with the SP [Flemish Socialist Party] which, since 13 October, seems to be more inclined toward realism and caution (even though, at the community level, the persistant Flemish nationalist radicalism of someone like Mark Galle is worrisome). Evidently, the socialist family is penalizing itself heavily by multiplying domestic fights and adopting as if with pleasure political tactics which are systematically divergent on both sides of the linguistic border. In the North as well as in the South, taboos must explode. To take pleasure in the state of quasi-belligerence which has long characterized their relationship constitutes the most formidable present the PS and the SP could give the Martens VI administration.

- Reactivate a federalist demand which, as such (let us not forget that it dates from the fifties and sixties), does not encounter any echoes among the young generations. The inevitable redistribution of authority within the Belgian state requires the emergence of a federalism that is not "radical" but simply authentic and functional. The quiet and adult federalism we need must be presented on the left for what it is: not "the" solution to all the ills Wallonia suffers from, but no more no less than an enterprise of rationalization and modernization of state management inspired by the federal regimes which exist in a goodly number of democratic countries. True, the Belgian problems -- two communities, three regions, omnipresent centrifugal forces -- are awfully complex. All the more reason for everyone, starting with the socialists, to refrain from relying even the least little bit on a reflex of rejection of the opposite community.

- Finally, deepen the policy of openness started during the period 1981-1985. Even though today the PS is alone in representing the left in parliament, it remains true nevertheless that the left is plural, that it does not constitute a monolithic bloc where everybody agrees on everything. If it intends to incarnate an attractive pole for all those on the left or center left (whether they are of a federalist, lay, Christian, social democratic orientaton...), the PS must, more than in the past, recognize the right to be different for the various socialist orientations which have been led to coexist within it. The opening should produce an in depth change of the Socialist Party, see to it that its internal structures really encourage diversity and the comparison of viewpoints.

Five years at the helm of the PS without any major political mistakes have allowed Guy Spitaels to lay the foundations for a socialism free of its archaisms and its ideological heaviness. The updating of the socialist doctrine is not finished for all that. Faced with the double challenge of the crisis and of the Martens VI administration, the left has no choice: it cannot stop half-way.

For the socialists, the stakes of the upcoming period are clearly fixed: if they do not succeed, within a large modern and pluralistic party, to bring together about 45 percent of the Walloon electorate they will leave the field open to the social Christian and liberal families at least until the end of this decade.

8463
CSO: 3619/46

POLITICAL DENMARK

COMMUNIST PARTY PRESS ORGAN CRITICIZES CHERNOBYL SECRETIVENESS

Copenhagen LAND OG FOLK in Danish 30 Apr 86 p 3

[Editorial: "The Nuclear Power Accident"]

[Text] Prime Minister Schluter used big words when he criticized the Soviet Union yesterday for not having given out sufficient information about the nuclear power accident in the Ukraine. Monday evening it was his Minister of Environment Chr. Christensen who was under fire on TV because he had not quickly enough reported what he knew.

But it is undeniable that the Soviet Union should have informed its neighbors much more rapidly and more openly than has been the case so far. That they did not is serious and subject to criticism. There is no reason why rumors and fear should flourish instead of concrete information about the extent of the accident and its possible consequences. Everyone knows that nuclear power accidents can have very serious consequences far out across the borders of the individual country.

Here at home we can naturally be satisfied that most experts are assuring the population that the risk is too small to worry about.

But more rapid concrete information would also have prevented some of the worst speculation in the press, which naturally with great pleasure has thrown itself into catastrophe journalism and has generally cast suspicion on the security procedures in Soviet nuclear power plants.

Obviously the international climate does not encourage great openness. Nonetheless it must be emphasized that the best contribution that the Soviet Union can now make is openly to lay out the extent and the causes of the accident. The first step has been taken in connection with applications to West Germany and Sweden for assistance. And Denmark's best contribution to the avoidance of such situations will be actively to work for the creation of international agreements about control and warning in case of nuclear accidents.

9287
CSO:3613/124

LESS DOGMATIC PEACE MOVEMENT WINNING SIGNIFICANT SUCCESS

Copenhagen INFORMATION in Danish 27-28 Apr 86 p 1

[Editorial by JD: "Denmark for NATO"; words within slantlines published in italics]

[Text] The peace movement has not only challenged the official security policy. Since 1979 the movement's deliberations have also caused a showdown with dogmas of the leftwing. The showdown has meant that the movement has been successful in influencing the official policy. This past week has shown a number of examples of this.

The social democratic policies for defense have been unthinkable, the movement being dependent for years on pacifistic wishful thinking and violent agitation against NATO and all Western uniforms. The need for defense is being taken seriously, and that has made a dialogue possible between officers and Social Democrats. Traditional frontlines in the debate have been broken down, and this has inspired new thoughts in a party which actually has the main responsibility for the problems in defense which the new policies will solve. Younger military people especially can contribute with expertise which is relatively unprejudiced, and they will be very welcome in a debate which is bound up with prejudice.

The chairman of the Socialist People's Party (SF), Gert Petersen, gets a large part of the credit. He brought about the showdown with the leftwing when on 29 August 1978 he was quoted as saying: "The slogan 'Out of NATO' paralyzes action. It is not a viable working slogan. We should engage in the real problem solving and press for achieving concrete results." Work with /real/ problems has since then made SF into a party which seriously works with security policy, and therefore /real/ problems are at the center of their national congress this weekend.

Thursday's debate in the Folketing produced one concrete result which in 1978 could not be imagined. The majority asked the government to work for a halt to nuclear weapons tests. Successive Danish governments did this rhetorically and through nonbinding resolutions in the UN. What is new is that a very concrete input is now desired.

If the government will work for the calling of a conference "according to the rules of the 1963 treaty on expansion of the limited test ban to a total ban," there is in these regulations a fixed procedure which makes concrete steps necessary.

The resolution is the most extensive that the alternative security policy majority has approved, because footnotes cannot fulfill the responsibility which the government has to the parliament. Uffe Ellemann-Jensen has said in his well-known arrogant style that the government will ignore the request. Even though the government parties have not voted against it. The Folketing now has a part of the responsibility for seeing that respect for parliamentary procedures is not further broken down by this gentleman.

But the peace movement has with this resolution acquired a working tool which, in popular appeal, far exceeds the missile issue. Nuclear test ban is a simple demand; it is objectively well-founded; it is of enormous importance; Denmark can play a decisive role. And if the request is to be more than a curious input in the security policy debate it is necessary that the peace movement press on until the foreign minister takes concrete initiatives--or the Folketing removes him from the post where he has for so long neglected Danish security policy.

Even if the peace movement in such a campaign claims that it is only working for Denmark's official policy and maintaining respect for democracy, its input will be suspected.

It is here that a continued clash with the old dogmas of the leftwing are necessary, because that will strengthen the credibility of the movement. When the movement uses former American officials effectively in its agitation, it is because nobody with his reason intact can doubt their loyalty to NATO and fundamental Western security interests. If the movement wants to see concrete results it is necessary that it is above any suspicion.

The security policy custodians on the right- and leftwings of the Danish security policy debate resemble and help each other. During Thursday's debate it was again conspicuous that the government parties and the Progressive Party (the Christian People's Party distanced itself a little from the flock) conducted an argument in which loyalty toward the Reagan administration and allegiance of the opposition to the Soviets' bidding were the important elements. There is nothing new here. But the representatives of the alternative majority had a basic knowledge of of the concrete issue, and they held to it. That is no small result when one remembers that Jens Toft (SF) and Keld Albrechtsen (VS) [Left Socialist Party] were the authors of the debate. Their contributions illustrated how far the leftwing has come from the previous general rhetoric.

Outside of Christiansborg the dogmas steadily grow in the two parties. As Ivar Hansen (V) [Liberal Party] and Ole Maisted (FD) reluctantly move away from blind belief in Reagan and NATO, SF's custodians will reluctantly move away from their classical antimilitarism and the "Out of NATO" slogan. Perhaps it is their last convulsion we are seeing when SF's cultural alderman in Arhus, Thorkild Ibsen, in an interview in this paper on Thursday dismissed concrete questions with professions of faith. SF's national congress will clarify that.

But the custodians have an alliance. As long as the rightwing can refer to SF as a Trojan horse in defense and security policy, progress will be slow and constantly threatened by setbacks.

Some members of SF have said that they favor NATO. Regardless of the wisdom of that viewpoint--factual or internal party tactics--they have contributed to the breakup of the fronts, giving the new peace movement continuity and strenthening its credibility. Also because of their input SF is a living party in which important arguments are tested in a process which does not drop the concrete and which includes the future.

Flexibility and openness have characterized the peace movement when it is at its best. If the Socialist People's Party is to have maximum influence on developments in social democracy, this weekend's congress must not bind the party's leadership to standpoints which make it difficult to strengthen the input of the alternative security policy majority.

9287
CSO:3613/124

CHRISTIAN PARTY CONGRESS INDICATES TROUBLES AHEAD FOR SCHLUTER

Opposed Government Economic Package

Copenhagen INFORMATION in Danish 26-27 Apr 86 p 5

[Article by RB: "Christian People's Party: The Easter Package to Be Weakened"]

[Text] The Christian People's Party [KRF] will demand social compensations in connection with the Easter package when it is justified in the middle of next month.

At the party congress in Kolding a number of delegates on Friday criticized the party's Folketing group for not living up to the desired image as "the social guarantor" in the government.

The chairman of the Folketing group, Jens Steffensen, admitted that the Easter package should be filled with social compensations.

"We can only thank ourselves for that not having happened. That is not the fault of the other parties," he said.

The party's leadership believes that Arne Bjerregaard, who is a member of the Folketing group, is to blame for the desired compensations not being attained.

A letter to the party's delegates said that when Arne Bjerregaard spoke negatively about the Easter intervention he ruined the party's chances of getting social compensations. Arne Bjerregaard has always been strongly critical of both the Christmas and Easter interventions (he voted against the energy fees in the latter), but he does not want to discuss accusations.

Arne Bjerregaard was absent on Friday when the party was to vote on the report by national chairman Flemming Kofod-Svendsen.

Bjerregaard was dissatisfied with a section of the report in which Kofod-Svendsen rejected the possibility of broad cooperation in the Folketing.

"The lines are drawn. If Gert Petersen (Socialist People's Party) is not wanted in a position of power, we should obviously work to have the four-party government continue after the coming election," said Kofod-Svendsen.

"It is unwise to talk that way because one thereby locks himself into position. In addition it is in direct conflict with our platform, which speaks of broad cooperation across the middle," said Arne Bjerregaard to RITZAU.

In the vote on the report, 10 abstained while one voted against by mistake.

Party Split Worsening

Copenhagen AKTUELT in Danish 27 Apr 86 p 13

[Article by Jens J. Krogh: "MP Arne Bjerregaard (KRF): 'We Are Dying As a Party'"]

[Text] Kolding--"We are well on the way to making ourselves superfluous. If the signals are not changed very soon, the Christian People's Party will die a slow but certain death."

With this bombast MP Arne Bjerregaard turned sharply against his own party chairman Flemming Kofod-Svendsen. Arne Bjerregaard admitted outright to AKTUELT that after the two-day KRF party congress the party was split from top to bottom.

The last day of the congress did not cover up the party's internal conflicts, which are now taking place on an open stage.

Lines Are Drawn

National chairman Flemming Kofod-Svendsen maintained in his farewell speech that "the lines are drawn." That clearly says no to cooperation across the middle in Danish politics.

"When the chairman can get his report approved with the statement that 'the lines are drawn' that means a sharp turn to the right in KRF," said Arne Bjerregaard to AKTUELT. Bjerregaard received substantial backing in the congress for his criticism of the rest of the Folketing group, and especially the group's attitude toward the Easter package. He does not believe, however, that he can use that backing for very much.

"From being a middle party which was against the old bloc structure in Danish politics, we are now ourselves a part of that bloc structure," said Arne Bjerregaard.

Appendage to the Nonsocialists

"There is a dividing line straight through the KRF, and it has moved farther and farther to the right. In the long term I am afraid that it will mean our death as a party. We are being seen as an appendage to the nonsocialists instead of being a third possibility in Danish politics which can show social responsibility."

How long will the KRF remain in the Folketing?

"I am pessimistic. It is a realistic judgment that we are going full speed toward making ourselves superfluous. That could happen by the next Folketing election," said Arne Bjerregaard.

Jens Moller Top Scorer

KRF's former chairman, town councillor Jens Moller from Kolding became the top scorer when the KRF congress in Kolding yesterday elected a new Executive Committee.

Former MP Inge Krogh came in at 12th place. The other Executive Committee members are: Ole M. Nielsen from Ostervro, Ebbe Jensen from Solrod Strand, Ruth Schjodt Pedersen from Vestervig, Aage Jensen from Roskilde, Peter Ohrstrom from Vejle, Per Chrillesen from Haslev, Kai Host from Gjern, Christian Bjerre from Vildbjerg, Inge Nielsen from Bjerringbo, Verner Boutrup Andersen from Herning, Edith Holm from Frederiksberg, Ove Kollerup from Arhus, and Kristian Follmann Sorensen from Borkop.

Further Social Cuts Opposed

Copenhagen AKTUELT in Danish 26 Apr 86 p 4

[Article by Jens J. Krogh: "KRF: 'We Are Not Social Enough'"]

[Text] Kolding--The Christian People's Party has gone too far with social cuts. Especially since the Easter package has not been offset.

That was the message of a large number of opinions of members of KRF to the party's Folketing group when the party opened its national congress yesterday in Kolding.

"No, how could you have been so foolish?" was the message. Dissatisfaction was expressed by 11 delegates failing to support the report of national chairman Flemming Kofod-Svendsen.

In the Folketing, MP Arne Bjerregaard stood alone with his criticism of the lack of social balance in government cooperation. The congress did not criticize Bjerregaard for his action. On the contrary, Bjerregaard received applause when he announced his viewpoint.

Egon Jacobsen, chairman of the Krf Social Committee, admitted outright that he could no longer defend the party's social policies.

"We are hitting the weakest groups the hardest. The groups which have been the cause of increased consumption have not been hit nearly so hard," said Egon Jacobsen.

The three top leaders of the party, Chairman Flemming Kofod-Svendsen, Minister of Environment Chr. Christensen and group chairman Jens Steffensen admitted indirectly that the party had failed, and they now promise to try to negotiate social compensation for the weakest groups as a consequence of the Easter package.

The three top leaders emphasized that KRF continues to have more influence inside the government than outside it.

Overtures from SDP Rejected

Copenhagen AKTUELT in Danish 26 Apr 86 p 4

[Article by Jens J. Krogh: "KRF Says No to Cooperation Across the Middle"]

It is not practical politics to have cooperation across the middle in Danish politics," said KRF national chairman Flemming Kofod-Svendsen. "The lines are drawn. Anker Jorgensen is looking to the left, and Gert Pedersen is sending longing glances toward the Social Democrats," said Kofod-Svendsen as the basis for his rejection of cooperation across the middle.

Post-Congress Assessment

Copenhagen BERLINGSKE AFTEN in Danish 2-8 May 86 p 2

[Commentary by Solveig Rodsgaard: "Problems for the Christian People's Party"; first paragraph is BERLINGSKE AFTEN introduction]

[Text] The party congress showed that there are still problems in the little government party, both over government participation and over Arne Bjerregaard's solo action.

The weak link in the government is still the Christian People's Party, in which internal troubles continue. Following the party's national congress over the St. Bede's holiday Prime Minister Poul Schluter must realize that one of the party's five MP's is threatening to leave the party, that the party is making demands for social compensation for the energy fees in the Easter package, and that there will be further demands for higher wages made to the public committee on the renewal of the wage agreement.

Arne Bjerregaard's threat to leave the KRF is blamed for dissatisfaction with the policy laid out by the party chairman, MP Flemming Kofod-Svendsen. In his report to the congress the chairman said that he had previously been an advocate for broad cooperation across the middle.

"Whatever one thinks of that, it is not practical politics today. Anker Jorgensen is looking toward the left--and Gert Petersen is sending longing glances toward the Social Democrats--meanwhile both are competing with each other in directing the sharpest criticism against the government parties and the Radicals. The lines are drawn. If we do not want Gert Petersen in a position of power we must obviously work to have the four-party government continue in good cooperation with the Radical Liberal Party. Also following the next election, when KRF is assured of two minister posts," said the national chairman to the delegates.

When the time came for a vote on the report, Arne Bjerregaard left the meeting hall, and he stated that if KRF did not turn back toward the middle in Danish politics before the next congress there was no place for him in the party.

On the Right

Arne Bjerregaard's actions hardly came as a surprise. He has always been opposed to KRF going into the government, and after he declared at the party congress last year that he was not automatically the government's safety net, there were more and more problems between him and the other members of the Folketing group. When Arne Bjerregaard voted against the energy fee proposal in the government's Easter package that was too much. He was removed as his party's tax chairman.

Speaking about his position in the Folketing group after the congress, Arne Bjerregaard told WEEKENDAVISEN:

"I believe that I have a certain backing for my viewpoint that KRF has a duty as the social guarantor of the government. And if at the next congress they wish to stand by the line now laid out, that KRF in the future belongs on the right side of the line, then I disagree. I have not said that in that case we will leave the government, but I am against the party in the future being on the Right. That is not our policy, and I will therefore not find fertile ground for the viewpoints that I believe in and which the party is founded on. And in that case I do not belong in KRF, and there will be no other way than for me to resign."

On Monday Arne Bjerregaard will meet with his county council, but he expects to have the backing of the majority of the council.

Demand

Apart from the problems which Arne Bjerregaard can create for KRF as a government-supporting party, there were a number of critical statements during the congress about government participation. The Folketing group was sharply criticized for not having put through social compensation for the increased energy fees, and the congress approved a resolution directing the Folketing group to work for the compensation.

It was the intention that the Folketing group would take up the issue when the energy fees were being adjusted on 15 May, but the prime minister said after a cabinet meeting last Tuesday that it is not at all certain that the energy fees would be adjusted in May. According to the prime minister it is possible that the adjustment of prices would be taken up for the first time when the Folketing meets again in October. In return the prime minister rejected any compensation in connection with the rise in energy fees because energy fees only offset a price decline.

The demand for higher wages for public employees was expressed by the national chairman at the congress. He said that wage restraint has lasted too long for groups of public employees, especially within the middle groups such as in the education area and health and care groups.

"It must be our task during next year's wage negotiations to ensure wage improvement for public employees while wage improvement in the private sector is primarily tied to the establishment of pension arrangements," said Flemming Kofod-Svendsen.

9287
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POLITICAL DENMARK

SDP YOUTH ORGANIZATION LESS OPPOSED TO NATO, ARMED DEFENSE

Copenhagen AKTUELT in Danish 24 Apr 86 p 6

[Article by Jens J. Krogh: "700 Youths to Congress--DSU Having Solid Success"; first paragraph is AKTUELT introduction]

[Text] Odense--DSU, Denmark's Social Democratic Youth, is again seeing a stable advance in its membership. DSU's outgoing chairman can look back on a chairmanship period in which DSU has had steady success. It is especially satisfying that more girls and grade school students are joining DSU, said Jan Petersen, the outgoing chairman. Tomorrow DSU's 26th congress begins in Odense. Seven hundred young Social Democrats, of which 400 are delegates, will participate.

In the two-year congress period the membership figure has grown from 15,324 to 16,110, and DSU is thereby the largest political youth organization in the country. DSU also has more members than most of the Folketing parties. For example SF [Socialist People's Party], the Radical Liberal Party and the Christian People's Party all have about 10,000 members.

"We have a stable and even growth rate," noted the outgoing chairman, Jan Petersen, with satisfaction.

"Today DSU has 191 local branches, which indicates that we have seriously gone out in the towns and villages. For many years there have been no DSU branches in those areas.

More Girls and Students

"We can also note with great satisfaction that the number of girls in DSU is growing. And we are delighted that many of our new members are grade school students. That means that we can sharpen the political interest of youth at an earlier age, and for DSU it means that it will be possible for us to keep our members for a period of years," said Jan Petersen.

During the three-day DSU congress a new policy program will be adopted. In addition they will discuss leisure time and cultural policies, peace and defense policies, conditions of refugees and possibilities for a majority labor government.

Yes to a Defense

Since the last congresses DSU has changed course about defense policy. For the past 10 or 15 years DSU's attitude has been a definite no to military defense with a demand to leave NATO here and now.

"We recognize the necessity of a defense. In this regard DSU has changed its policy in relation to the late 60's and the early 70's. So we are pleased to see that social democracy is seriously beginning to debate defensive defense," said Jan Petersen.

"DSU is traditionally critical of a number of Social Democrat attitudes. But lately the mother party has become a little better to listen to," said Jan Petersen.

"But it could still be much better," he said, and reminded that for many years DSU has fought for an active peace policy, a stronger environmental policy and a more ideological discussion of the labor movement.

"In the past couple of years these important questions have been given priority for the first time by the Social Democrats. The effect has been that the Social Democrat Party still has a difficult time breaking through to the young voters," said Jan Petersen.

New Leadership

At the congress DSU will elect both a new chairman and a new vice chairman. After four years as DSU chairman Jan Petersen will begin in a position in the training division of HK. Vice chairman Kirsten Jensen will complete her journalist training.

At the moment there are three candidates for the two posts. Jens Christiansen from Vesterbro, and Jan Eriksen from Alborg are running for chairman, while Annette Berentzen from Odense is so far the only candidate for the post of vice chairman.

9287
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VAYRYNEN WOOING CONSERVATIVES IN QUEST FOR PRESIDENCY

Stockholm DAGENS NYHETER in Swedish 29 Apr 86 p 15

[Article by Stefan Lundberg]

[Text] Helsinki--The starting shot for the presidential election campaign in Finland has been fired. The nomination by the Center Party's party board of its chairman, Minister of Foreign Affairs Paavo Vayrynen, as the party's presidential candidate was a move very typical of Vayrynen.

Vayrynen announced last Friday that as far as the Center Party was concerned, the campaign would not begin until the fall of 1987. He said that the current president must be given peace and quiet in which to work.

But Vayrynen was already attacking on Saturday. In a speech sharply critical of the SSDP [Finnish Social Democratic Party]--his partner in the government--Vayrynen openly wooed the Conservative Party [KK]. He drew attention to the KK's chance to end its 20 years of wandering in the wilderness of the opposition. According to many observers, the message was crystal clear: if you support me, you will be buying your admission ticket to the government.

Trump Cards

The reason is that to Vayrynen, it has seemed important to get the post of prime minister before the presidential election. That possibility exists, but only with the Conservative Party's cooperation.

Vayrynen was originally supposed to go up against Koivisto in 1988 in a kind of "limbering-up exercise." No one seriously believed that Vayrynen could present a threat to Koivisto's reelection. But the situation is different today. Vayrynen holds some strong trump cards indicating that as far as he is concerned, this will not be simply a limbering-up exercise.

Koivisto was riding a huge wave of popularity in 1982. He is still popular, but not as popular as before. Public opinion polls show that his popularity has dropped during his 4 years as president. The latest public opinion figure shows that 56 percent of Finns would vote for Koivisto if the election were held now. Just 6 months ago, that figure was up around 70 percent.

Vayrynen and the Center Party obviously expect that very circumstance to give him a real chance. The presidential election will probably be held after the constitutional reform so that the voters will be voting both for a candidate and for electors. The electors will perform their duties after the election if no candidate receives more than 50 percent of the vote.

Many people consider it unlikely that Koivisto will manage to win an absolute majority in the first round of balloting. The electoral college will then meet to choose the president, and it is certain to have a nonsocialist majority.

Unpredictable

So that is where Vayrynen's chance lies if he manages to win the nonsocialists and above all the Conservatives over to his side. But there are several flaws in that argument. The Finnish Rural Party, for example, which is the Center Party's traditional archenemy, recently stood behind Koivisto. Equally unpredictable are the Greens, for whom big success in the parliamentary elections a year from now has been predicted. The Greens have not shown any particularly great liking for Vayrynen.

Vayrynen's "proposal of marriage" in Turku over the weekend may also reflect a fear that the Social Democrats will get ahead of the Center Party and buy out the Conservative Party by also promising entry into the government. That would be a catastrophe for Vayrynen, whose Center Party might then be completely eliminated from participation in the government after the parliamentary election.

For the Social Democrats, who are being criticized from within their own ranks for moving too far to the right, a marriage with the Conservative Party would be a hazardous undertaking. It might save the presidency for them but turn out to be disastrous in the long run.

The Conservative Party's chairman, Ilkka Suominen, has declared that his party will run a candidate of its own. If Suominen gets his way, that candidate will obviously be Harri Holkeri. Harri Holkeri is governor of the Bank of Finland and was formerly the party's chairman. He also was a candidate in the previous election with relatively decent success.

But of course, there is nothing to prevent the Conservative Party from changing horses in a second round of balloting. The only question is who it would support: Vayrynen or Koivisto?

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POLITICAL

FINLAND

PEACE DEFENDERS' ROLE QUESTIONED AFTER RUOKOLA COMMENTS

Helsinki SUOMEN KUVALEHTI in Finnish 25 Apr 86 pp 62-64

[Article by Tuomo Lappalainen: "A Full Charge of Buckshot on Behalf of Peace"]

[Text] The Finnish Peace Defenders annual meeting was reported with bigger than usual headlines this year when chairman Matti Ruokola linked the German threat mentioned in the Friendship, Cooperation and Mutual Assistance Pact with the U.S. Star Wars plan. His behavior again roused current interest in a question that has previously been of concern to many Finns: What kind of peace is this organization suspected of being an outpost of the Kremlin's foreign policy really defending?

Since Finnish Peace Defenders Ltd is not a pacifist organization, it can without concern choose an enthusiastic user of weapons as its chairman. Four years ago Matti Ruokola received fines amounting to 5,000 markkas for duck hunting, but they have not gotten him to give up his bird-shooting hobby.

Presidentof the republic Urho Kekkonen is quoted on the dust cover of the Finnish Peace Defenders' 30th anniversary publication, which appeared at the end of the 1970's. He said that he had come to the conclusion that participation in a peace movement is the man in the street's only way of opposing war. "In many people's opinion, it may be a hopelessly slow way of doing it, but it's hard to find a sensible alternative under the present circumstances." Harmonious coexistence of the government and the peace activists continues to exist in Koivisto's republic too -- in spite of Ruokola's speeches. The Peace Defenders declares that it openly supports Finland's foreign policy while the government, on the other hand, rewards its loyalty with a generous state subsidy of nearly a million markkas. This sum covers over half of the association's budget.

Or whose bread are you eating and whose songs are you singing?

"The present situation is an undeniably fortunate one, but supporting the official line is nonetheless not an end in itself for us. The significance of issues under consideration is decided on each time," assistant first secretary Mikko Lohikoski stated.

"For example, in connection with Finland's military preparations, we operate on the assumption that the prevailing actual level should not be raised any more. In security policy appropriations, foreign policy clearly comes before defense policy."

From Red Guards to Conservative Youth

Partial nationalization is not, however, the only peculiarity of the Finnish Peace Defenders.

It is to boot still thoroughly politicized as well. Probably more ministers, members of Parliament and party workers belong to the organization than to the other West European sister organizations taken all together.

Among others, Mikko Immonen (Center Party), Antti Kalliomaki (Social Democrat), Ilkka Kanerva (Conservative Party), Matti Kekkonen (Center Party), Erkki Kivimaki (Communist), Eeva Kuuskoski-Vikatmaa (Center Party), Aaro Niiranen (Finnish Rural Party), Weijo Pitkanen (Center Party) and Marjatta Stenius-Kaukkonen (Communist) belong to the 40-member central administration headed by Matti Ruokola (Center Party).

The range of different opinion factions is large, but in the opinion of many deceptive. Perhaps the most common charge leveled at the Peace Defenders views the organization as a tool of the Stalinist Communists, which the Center Party K-faction has also been able to make use of when the need has arisen to further its domestic policy aspirations to power.

"In practice the Peace Defenders is a heavily armored organization in the hands of the Communist minority faction. About at least half of those elected to its decision-making organs are members of the TIEDONANTAJA faction. All told, only a single non-Stalinist has been declared competent to serve among the dozens of salaried officials who have at different times been in the service of the organizations. This is only natural since, aside from their peace work, organization officials have participated in the maintenance of the Stalinist organizations in workplaces and in the rank and file of the youth organization," Erkki Tuomioja, the leading figure of the One Hundred Committee peace movement, analyzed the situation a couple of years ago.

The set-up is to a certain extent reminiscent of the situation in the High-School Student Union at the end of the 1960's and in the early 1970's. In it too, the Stalinists created their own organization within the cover organization and seized power by means of effective centralization.

There are always good chances of succeeding by applying bold tactics in a divided membership. And the Peace Defenders' strength does not at any rate lie in homogeneity. While the organization has only 30,000 regular individual members, Lohikoski estimates that every Finn belongs to it at least twice through memberships in other organizations. Among the 82 member organizations are the Workers Sport Association, the Finnish University Student Union, the Finnish Foodworkers Union, the Nature Association, the Rubber and Leatherworkers Union, the Construction Workers Union, the Young Conservative One Thousand Organization and the Social Democratic Youth Association.

The list is further filled out by the Former Red Guardsmen Ltd, the International Volunteer Work Camp Organization, the Antiwar and Antifascism Work Organization Ltd, the Socialist Health Front, the Finnish Academic Sobriety League and the Afghanistan, Chile, Korea, Cuba, Mongolia, Vietnam and Arab Nations Friendship Societies.

"We Could Support the United States Too"

One is, however, missing from this group. The Finnish Peace League, which opposes any sort of power politics and does not want to commit itself to siding with any ideological or power-politicking clique, untied itself from Ruokola's apron strings after a lengthy row.

Tuomicja was a key participant in this operation too. In his outspoken way, he has on several occasions let it be understood that portraying the Peace Defenders and its cover organization, the World Peace Council, as instruments of Soviet foreign policy is not a bit misleading. They who "have never been able to demonstrate that they have assumed a position that essentially differs from the line pursued by the Communist Party of the Soviet Union at any given time."

In his critique Mikko Lohikoski admitted that there is truth enough in the fact that in the Peace Defenders "there is undeniably more understanding for the goals of the Soviet Union than those of the United States." If, however, the United States were to propose an initiative tomorrow for radical and balanced disarmament, nothing would prevent the organization from supporting Ronald Reagan; he would be bringing the image of himself presented to the public into balance.

Besides, charging the Peace Defenders with favoring the Soviet Union is ill-considered inasmuch as in many cases the barbs also indirectly attack Finland's official foreign policy. The fact is that the organization's views on disarmament, nuclear testing, Nordic nuclear-free status and even the situation in Afghanistan just do not differ from those of Ritarikatu.

We find a typical example of this in the way the Peace Defenders reacted to the surprise attack made on Libya last week. In formulating his position on the matter Lohikoski was in agreement with both international law experts and Foreign Ministry officials.

They Do Not Vote on the Adoption of Positions

Peace Defenders official statements are regularly produced on the basis of the principle of consensus, by reconciling different opinions. Decisions based on a vote have not been reached in 20 years now; in Lohikoski's opinion, they do not even belong to the nature of a cooperative organization.

The principle is a noble one, but in practice it also has its dangers. We know from past experience that striving for unanimity easily leads to a watering down of issues and pointless circularity.

So far, the Peace Defenders has not been accused of this but, on the other hand, carried to an extreme, the right of veto has undoubtedly increased the well-known credibility gap with respect to the organization and strengthened accusations of partiality. Since the Stalinists, strongly represented in the association's decision-making bodies, see to it that there are no passages critical of the Soviet Union to be found between the lines in official statements of position.

Of course, it is true that they have also begun to view the formulation of official statements in a more critical manner than before within the organization. They now recognize that, employed too much, such statements are merely inflammatory goods that at the most serve as therapy for their authors. Protest demonstrations have no value unless one is also capable of incorporating in them one's own constructive proposals to correct matters.

So what function does the Peace Defenders serve at all any more? Couldn't the organization at the same time dissolve itself and join, say, the Finnish-Soviet Society as we every now and then hear them hint at doing?

Ruokola and his comrades respond to criticism by applying themselves more vigorously than before to peace activities. Among other things, the Peace Defenders publishes its own newspaper, organizes camps and seminars and collects funds for development aid work.

A "Ship Loading" solidarity message is at present in progress, the objects of which are the South African and Namibian Liberation Organizations and the victims of the Angolan and Nicaraguan wars. The Peace Fund is accepting axes, sheath knives and saw blades in addition to clothes, blankets and school supplies.

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CSO: 3617/105

COMMUNIST NEWSPAPERS COMMENT ON 'SHADOW CONGRESS'

Stalinist Organ: New Stage

Helsinki TIEDONANTAJA in Finnish 29 Apr 86 p 2

[Editorial: "Membership Took Control in Finnish Communist Party"]

[Text] The well-worn phrase from the pages of history is appropriate when talking about the meeting of representatives of SKP [Finnish Communist Party] Organizations held in Tampere. Empowered by the majority of the party's organizations and members the meeting adopted decisions to ensure the work of the SKP as a Marxist-Leninist party, outlined political tasks as well as elected a new membership wide leadership for the SKP. The membership took control in its own party.

The meeting of representatives of SKP Organizations was not necessary just because of the SKP's difficult internal situation, but it was necessary merely for the reason that the SKP has not had a democratically elected leadership in 2 years and that Arvo Aalto's right-wing faction is dedicated to the disruption of the party.

The meeting was inevitable also for the reason that a Finnish Communist Party that bases its activities on Marxism-Leninism, proletarian internationalism, and workers' interests must be generally preserved in our country. All the actions of Aalto's faction have been aimed at the destruction of the SKP as this kind of a party. The Tampere meeting fulfilled the class obligation and the national and international obligation of Communists by ensuring that the SKP will continue, it cannot be extinguished.

In the media it is being argued that there are now two communist parties in our country. However, there is only one communist party, the SKP, in our country. All the decisions of the Tampere meeting are committed to the SKP. Indeed, the SKP now has two leadership groups, the formal leadership of Aalto's faction, which has illegally acquired and preserved its position, and the leadership representing the SKP's majority membership or the Central Committee of SKP Organizations. Under the protection of the SKP's central apparatus, which it controls, Aalto's faction is, indeed, building a new party, but it is not communist by any characteristics relative to content, but a reformist and nationalist party.

It is also being argued that a shadow SKP was established in Tampere. The majority of the membership representing the SKP's traditions, principles, chief policy line, and organizations will not establish nor does it need to establish any kind of shadow SKP. The essence of the matter will decide, not formalities. Aalto's faction is changing the machinery it controls into an increasingly pale shadow of the SKP. But the fate of Aalto's shadow party will be its disappearance sooner or later into the night of shadows. The SKP will remain.

The greater the number of SKP members and friends who turn their back on the disrupters and liquidators, the sooner and with greater certainty they will reach an impasse, and the unification of the party's ranks can be secured. There are thousands of sincere Communists who for one reason or another are not yet actively involved in the work on behalf of the SKP, but who can be persuaded to participate. The Tampere meeting has extended to all of them the hand of a fighting comrade.

The meeting of representatives of SKP Organizations elected to the party's leadership tasks comrades who have won the trust of the membership by their deeds. Thus personnel selections as well as other decisions were made unanimously. The SKP's internal and external opponents attempted in advance to foment any kind of conflicts among pro-party forces. The meeting, however, brought only disappointment to these opponents.

In principle what was most important was the meeting's decision by which TIEDONANTAJA will become the exclusive and joint primary organ of the Central Committee of SKP Organizations, and effective work will commence for strengthening its position. The SKP has not had its own press organ for a long time. An attempt was made to establish such an organ before the 20th Congress. Upon taking over the party leadership Aalto's faction killed the project in its inception. The decision now made means that the SKP, the Central Committee representing its majority, finally has its own primary organ.

It was noted with justification at the Tampere meeting that the new phase now beginning sets the stage for the adoption of new attitudes. Now that the membership has taken control in the SKP, it must also accept responsibility for the whole party and its role in social and political life. The fate of the SKP is no longer in the hands of Aalto's faction, it is in the hands of the membership and a leadership representing the membership.

Stalinist Paper On Congress

Helsinki TIEDONANTAJA in Finnish 29 Apr 86 p 5

[Article: "New Central Committee Takes Over, Communist Party Planning for New Growth"]

[Text] The invitation to attend the meeting of representatives of SKP Organizations held in Tampere over the weekend was extended to all the party's organizations.

On its basis a total of 802 representatives from 765 party organizations representing a total of 16,633 SKP members was elected to attend the meeting. The representatives were chosen from eight district organizations, the unification committees of nine districts, 32 city or area committees, 605 party sections, and 111 independent party factions.

Measured by whatever measure, the Communists assembled in Tampere represented the majority of the SKP's organizations and members.

With this mandate they also made decisions required by the SKP's and Finland's political situation.

The meeting of representatives of SKP Organizations commenced on Saturday at a few minutes after 12. In addition to conference delegates, representatives from the embassies of the USSR and other socialist countries, numerous societies, and scores of representatives from the media came to observe the proceedings of the meeting.

Ilmari Nieminen, a member of the chairmanship of the Committee of SKP Organizations, who opened the meeting, stated that the meeting was convened so that Communists could struggle together better than before with the whole working class and all workers against big capital and political reaction. He pointed out the increasing aggressiveness of the right wing, the timely strike actions and the unscrupulous methods used against them, and the escalation of tensions in the international situation.

Nieminen stated that even though the situation demanded the convening of all progressive and democratic forces, the present party leadership has instead set upon a course of liquidating the party. Thus the task of gathering forces has been placed on the shoulders of the party organizations participating in this meeting.

"We are ready for an open, constructive, honest, and also critical discussion of how we are to wage this common struggle," said Nieminen.

First Day

After the opening formalities, the meeting elected a chairmanship and committees.

On the first day of the meeting Jouko Kajanoja explained the political situation and Taisto Sinisalo delivered a speech on the situation and tasks in the SKP. This was followed by a general discussion, in which the speeches of representatives from eight district organizations and nine unification committees were heard. The meeting was adjourned at 7:00 p.m., after which the committees held their meetings before the much praised Celebration of Struggle was held in Sampola.

The Next Day

At 9:00 o'clock Sunday morning the meeting continued with the general discussion, in which the speeches of other representatives were heard. (Speeches delivered during the general discussion as well as Kajanoja's and Sinisalo's speeches will be treated in greater detail elsewhere in this paper and in future issues of TIEDONANTAJA. The subject matter of the meeting will appear in its entirety in book form in the middle of May.)

Taisto Sinisalo presented a summary of the general discussion.

"A clear parallel direction in the assessment of the party's tasks has characterized the discussion. It has reinforced the fact that the path chosen by us has been and is correct," said Sinisalo.

"Speculations regarding the meeting include a deliberation of who among us has changed, whether someone has been subordinated, and whether some have won since our unity can be so tight and extensive.

"We have all changed. Our experience in struggle has strengthened our philosophical foundation as well as our skill in work. Experience is what has taught us to seek new comrades-in-arms, and joint action is what has built trust. We will not have a problem even in the future with respect to who will give up and who will win. Anyone who is for a Marxist-Leninist and proletarian internationalist party, a fighting and democratic communist party, and who works to strengthen the SKP is our comrade. The SKP, its struggling force and ability, and in the final count our country's working class will be the victor in our common efforts. We have no other aspirations or goals," stated Sinisalo.

After the general discussion the meeting convened for a closed session, in which it unanimously approved the election committee's proposal to make it the new Central Committee. The Central Committee convened immediately after this to elect its chairmen, general secretary, Politburo, and secretariat. All these elections were also conducted unanimously.

Numerous changes were made in the meeting's resolutions on a policy document and the SKP-document on the basis of a discussion by the rank and file and committee work.

The policy document was presented by Eino Kaajakari. It was adopted unanimously.

A stand on rejecting the seizure of the energy tax and reducing housing costs was accepted as a separate position.

SKP-Document

Committee chairman Urho Jokinen presented the SKP-document. Basing his comments on the committee debate he said that the Central Committee's job is to make certain that a sufficient number of membership cards is obtained as well as ensure the systematic and full collection of membership dues.

In his speech Jokinen emphasized the qualitative significance of making TIEDONANTAJA a nationwide newspaper. "We progressed to victories with TIEDONANTAJA, the prerequisites for new victories exist, but not without TIEDONANTAJA," said Jokinen.

In his speech he also placed strong emphasis on the importance of the SKP's traditions, and its link with the SKP's name, the abandonment of which would also be the abandonment of those traditions. He demanded a comprehensive understanding of this question: the cherishing and protection of traditions require an understanding of the whole and a realistic observation of the facts as they are.

Jokinen also pointed out the unanimous stand that the organizations assembled in Tampere adopted with respect to operating on the basis of the regulations adopted at the SKP's 11th Congress. In this way the order of meetings prescribed by the regulations will also be observed so that the 20th Congress will be followed by the 21st Congress, stated Jokinen (the SKP-document proposes the convening of a united 21st Congress next year).

Kalervo Ilmanen from the SKP's Uusimaa District submitted a dissenting opinion in the document, in which he would have preferred not to assign a number to the next congress since giving it a designation "will cause confusion and provide an opportunity for interpretations".

In answering Ilmanen, Jokinen stated that the arguments for the dissenting opinion are completely compatible with the committee's proposal since an appeal is made in both to the regulations adopted by the 11th Congress. Jokinen believes that time will clarify this question "also for those who still find it ambiguous".

The document was approved unanimously.

New Leadership

Chairman Ilmari Nieminen of the Election Committee announced after this that the Central Committee had elected a new leadership. Taisto Sinisalo was elected chairman, Yrjo Hakanen 1st vice-chairman, and SKP Turku District Secretary Marita Virtanen was elected 2nd vice-chairman. The Central Committee elected Jouko Kajanoja as general secretary.

Nieminen wished the new leadership success in its demanding task to accomplish the proposals made by the meeting. "Indeed, not proposals but decisions. We have become accustomed to talking about proposals only for so long that now that they have become decisions, a completely new method of thinking is required of us all," stated Nieminen.

He also thanked the SKP's Tampere District Organizations, which brilliantly handled all the technical preparations connected with the meeting.

The meeting concluded with the singing of the Internationale.

After an exceptionally harmonious meeting, the representatives began to return to their home communities taking with them the unanimously adopted decisions, the May Day appeal made to all friends and comrades at the meeting, and the small flags and stickers of the Election Organization for A Democratic Alternative.

Work will continue again, on a stronger basis.

Fraternal Thanks

to all those volunteers who with their great sacrifices and efforts created a comprehensive framework for the meeting of representatives of SKP Organizations on 26--27 April in Tampere. Our meeting was exceptionally successful and for the most part because of your work.

A sauna night will be arranged for the volunteer workers on Saturday 10 May at 4:00 o'clock in the afternoon in Nokia's Lehtiniemi.

You are all welcome.

The chairmanship of the meeting of representatives of SKP Organizations. The Tampere District Organization of the SKP.

'Moderate' Paper: Remarkable Step

Helsinki KANSAN UUTISET in Finnish 29 Apr 86 p 10

[Editorial: "The Legalization of A Separate Path"]

[Text] The country's press gave the "meeting of SKP Organizations" in Tampere greater political importance than what it in fact deserves. The meeting did not actually introduce much that is new.

What in fact happened? The Taistoite faction convened, elected for itself a central committee and other leadership organs and leaders -- or made the general public aware of all that which has been known and has unofficially existed for a long time within the SKP contrary to party decisions. Now a new and indeed significant step has been taken on the path of disassociation from the SKP, a process started by this faction 2 years ago at the 20th Congress when its members refused to participate in the work of the Central Committee. In addition to the legalization of the new, it was a kind of news item that Jouko Kajanoja along with his few supporters was persuaded to suspend his own faction and join in the work of the group opposing the SKP at a very low level.

A certain kind of three-way division still remains in the group seceding from the SKP -- one can still find the old TIEDONANTAJA clique, Markus Kainulainen's supporters, and the former third-line faction, and they are united by the struggle against the SKP and the SKDL [Finnish People's Democratic League].

What would be that original alternative which would be created by this central committee or the Democratic Alternative party established 3 weeks ago? There is no actual alternative. The most graphic sign of this is that the new faction does not want to appear by itself, but wants to confuse the people by using the SKP's symbols and traditions. What is the ideological platform of the new party? Now it has been announced that a party program will not be compiled. The draft compiled by the party leadership is, naturally, not suitable. What is suitable? Is it the program from 1969? Certainly not -- it was declared revisionist already in its inception. Does the faction's program date from 1957?

The fact that the factions would comprise the majority of the Communist Party or the SKDL is, of course, groundless talk. It has never able to achieve this position since the membership prevented it. They are even less able to achieve this goal by the peculiar and completely too complicated structure they have now created.

The faction can cause considerable damage to the SKP and the SKDL, but it will not be able to destroy the party or the influential People's Democratic movement. The membership will make certain of that.

Congress Sidelights Reported

Helsinki KANSAN UUTISET in Finnish 29 Apr 86 p 10

[Article: "Bits and Pieces from Hervanta"]

[Text] The conflicting atmosphere of the meeting in Hervanta could be perceived outside of the building as well as inside. The publicity was most obviously divided.

The hall was decorated with a large symbol of the SKP. Inside the hall speeches were delivered against the SKP and its present leadership.

Many speakers and papers argued that "an energetic struggle is being waged for the SKP". The same speakers, however, were the whole time building their own party -- along with a central committee, politburo, and secretariat.

A man from Lapland asked upon entering the bus, "why did we come here at all since the decisions were already made in advance?"

The reason for the bitterness exhibited by this man from Lapland was certainly the fact that their Esko-Juhani Tennila was not even considered qualified as a member of the new central committee. Is Esko-Juhani then, after all, only an excellent advertising gimmick?

Jouko Kajanoja's supporters gave one to understand that the halt to the publition of their YHTENAISYYS paper is not such an unfortunate event as was first thought. After a year even TIEDONANTAJA's name will be changed.

After familiarizing themselves with the lists of names, the experts stated that Kajanoja's supporters received only one-fifth of the positions in the new central committee. It was announced that General Secretary Kajanoja would come after Chairman Taisto Sinisalo and Vice-Chairman Yrjo Hakanen in the hierarchy.

Second Vice-Chairman Marita Virtanen could not participate in the Hervanta meeting since the Virtanen family is expecting an addition. In practice, Virtanen's absence will last at least a year and a half.

The apparent unity was assured by the fact that only 26 speeches were selectively permitted while there were requests for 59 speeches in the general discussion. Markus Kainulainen's Uusimaa supporters, in particular, were amazed that just their slips of paper ended up at the bottom of the pile. Amazement was also expressed at the leader's lack of spirit at the faction's very own shadow meeting.

Even the fact that the representatives' cards were examined three times before entry into the hall was permitted in its own way already demonstrated the "calibre" of the meeting. Those remaining outside blessed the fact that a church was also located in the same building. No one, you see, had to have a permit to use the church's bathroom.

When one of the speakers demanded a "Gorbachev style" of the new party leadership, it appeared to the audience that some of the chairmen blushed.

On the other hand, one could not talk about any blush of enthusiasm at the meeting. A young editor stated upon leaving that "there was a taste of bitterness in the display of anger throughout the whole affair: we are here, now look at us!"

For the sake of certainty, Seppo Juvonen from Seinajoki challenged all the cursed "Aaltoites" to a fist fight.

The Hervanta meeting made quite an impression at the local level in Tampere. MP Marjatta Stenius was not acceptable for the new party's central committee, but Mikko Kuoppa made it all the way to the politburo. In addition to Marjatta, among other representatives from Tampere, Heikki Sneck, who has pursued a career in municipal life, and Taavi Lintunen, who has changed sides again, were also left on the sidelines.

It was noted already before the meeting that of the two MP's only Mikko was declared competent to be a speaker at the "Celebration of Struggle". His May Day round of speeches is also considerably more extensive than Marjatta's.

Activists in the trade union movement and foreign policy received considerable food for thought from the meeting at Hervanta.

The joint strike of the SAK [Finnish Confederation of Trade Unions] was now condemned as if it were something new.

Indeed, Sinisalo and Kajanoja said many times that they "support" Mauno Koivisto. But when they were given the choice of either Koivisto or Paavo Vayrynen, no answer was given since it was supposedly too early to pose this question.

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CSO: 3617/107

POLITICAL ITALY

PCI'S PECCHIOLI ON GORBACHEV IMPACT

PM051559 Rome LA REPUBBLICA in Italian 4 Mar 86 p 9

[Interview with PCI Secretariat member Ugo Pecchioli by Alberto Jacoviello in Moscow; date not given]

[Excerpts] Moscow--[Jacoviello] Your greetings message to the CPSU Congress embodied absolute and total support for the Gorbachev "line." Why?

[Pecchioli] Because we identified some extraordinarily innovative elements in his report. The strength of his indictment of the stagnation of Soviet society, which has led to a deterioration of its economic and social model, is a new and important factor. This has prompted us to examine his "line" with great interest.

[Jacoviello] Many perceive in delegates' speeches on the one hand the continuation of conformism and on the other signs of a political battle whose characteristics, however, are not yet apparent. What is your opinion?

[Pecchioli] We believe there is real support for Gorbachev's approach. However, in our opinion it would be wrong to underestimate the scale of a resistance that certainly has been apparent and that will continue to manifest itself, because the Gorbachev "line" impinges on very widespread forms of inertia and interests.

[Jacoviello] Do you mean that in a society such as this any innovative approach can prompt resistance or even opposition?

[Pecchioli] Resistance and opposition to innovation occur in all kinds of societies. Here in Soviet society, since there has been a very limited dialectic, the resistance and opposition could be greater. However, it seems to us that a new dialectic is taking shape.

[Jacoviello] The 20th Congress was set apart from previous congresses by Khrushchev's secret report. In your opinion what sets this one apart?

[Pecchiolo] A more thorough analysis of the system's shortcomings. Khurshchev had to clear away a grim period characterized by degeneration and Stalin's crimes. Gorbachev's report delves much deeper and envisages structural changes in the economic order and management as well as in democratic life.

[Jacoviello] Where do you see these "structural" changes in democratic life?

[Pecchioli] For instance, in the call for the separation of roles between party and state, the pledge to revive the Soviets, and appeal to the trade unions to do their job, which is primarily to defend workers rights.

[Jacoviello] You said in your message to the congress that "the growth of workers' and citizens' democratic involvement in the country's life is a precondition for any real and lasting development. It seems to me that Natta went further than that when he was here recently. In fact his actual words were: "Nothing can take the place of the creative force of democracy." Have you not taken a step backward, Senator Pecchioli?

[Pecchioli] No. It seems to me that we both expressed the same basic idea in different words. We are indeed convinced in any cast that the Gorbachev "line" will succeed if it is based on Soviet citizens' democratically expressed consensus.

[Jacoviello] You condemned any kind of foreign intervention, which seemed to be a reference to Afghanistan too. When you talked about it directly, however, you confined yourself to expressing the hope for a political solution, using almost the same words as Gorbachev. Why this difference?

[Pecchioli] I was expressing a general principle which, as you say, applied to Afghanistan too. Obviously it is realistic, however, to believe and to say that the only solution to the Afghan crisis is a political one now.

[Jacoviello] At the congress you sat almost next to Babrak Karmal. Did you have a conversation with him?

[Pecchioli] No.

[Jacoviello] Did you seek one?

[Pecchioli] No.

[Jacoviello] Did Karmal seek one?

[Pecchioli] No.

[Jacoviello] In your opinion, is Gorbachev, that is, his leadership, strong or weak in the country?

[Pecchioli] I believe that he has a strength insofar as he expresses the fundamental demands of Soviet society today--the complete use of all this huge country's resources, modernization, rationalization, democracy, and so forth. However, I do not conceal from myself the fact that there are, and will continue to be, major forces capable of opposing such a line. I am referring primarily to the social stratification that has benefited from the stagnation and lack of democratic development.

[Jacoviello] What, in your opinion, is the reason for these sudden attacks on Reagan and his policy for the first time since Geneva?

[Pecchioli] In my opinion it is unlikely that Gorbachev could have replied any differently to Reagan's letter. On the other hand, it is a good thing that the U.S. Congress has passed a resolution in favor of ending nuclear tests. This means that in the United States there are not only extremists but also people on whom the USSR's stance has some kind of impact.

[Jaccoviello] Senator Pecchioli, all that you have said so far confirms the assessment implied in my first question, namely that you came here to grant full and total support to the Gorbachev line. Are those who maintain that the PCI is planning to mend the "wrench" right?

[Pecchioli] I repeat that there never was any "wrench." What there was was a disagreement over fundamental issues which also led us into a controversy over a certain number of matters, some internal to the USSR and some of an international nature. We now believe we can perceive in the line presented by Gorbachev some profound innovations which objectively bring the two parties closer together. In other words, there is in the "line" presented by Gorbachev a confirmation of the validity of the criticisms we made.

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LABOR, LEFT SOCIALISTS OPPOSE NUCLEAR ARMED SHIPS, CHEMICAL ARMS

Labor Party District Resolutions

Oslo AFTENPOSTEN in Norwegian 24 Feb 86 p 3

[Article by Einar Kr Holtet and Odd Inge Skjavesland]

[Text] We must continue to insist that foreign warships entering Norwegian ports do not carry nuclear arms. Annual Labor Party district meetings in Akershus, Nordland and Vest-Agder adopted resolutions to this effect last weekend. The Vest-Agder Labor Party also demanded that the government secure such guaranties. Government district policies were strongly criticized: "They impede jobs and settlement in the districts," said Labor Party finance spokesman Gunnar Berge, Nordland.

Akershus and Nordland districts unanimously adopted a resolution to refuse to admit nuclear-armed warships. A large minority opposed the resolution in Vest-Agder district.

The annual meeting of Akershus Labor Party defined that there shall be no nuclear arms on foreign ships in Norwegian ports. The Labor Party Youth Organization (AUF) adopted a version that referred to government-source statements as having "created doubt."

Nordland

At its annual meeting, the Nordland district party organization waited till the last sentence of a lengthy security-policy resolution to conclude: "We must continue to insist that foreign warships entering Norwegian ports not carry nuclear arms."

The Nordland district Labor Party feels that Norway must work more actively than ever to reduce East-West tension--within NATO as well as other international organizations. In this connection, the district party stressed a nuclear-arms freeze, establishing a nuclear-free corridor in Europe and working toward a nuclear-free Nordic zone.

"We are concerned about the increased military activity in Nordic waters due to a Soviet navy buildup," the Nordland Labor Party pointed out.

Vest-Agder

With approximately 80 to 50 votes, the annual Vest-Agder district meeting was guaranteed to last longer than any other Labor Party district meeting. It "asked the government to impress upon foreign nations that Norway will continue to be a nuclear-free area, both with respect to visiting foreign warships and allied exercises on Norwegian soil."

"Its enforcement could be in terms of guaranties by foreign nations their ships carry no nuclear arms when entering Norwegian ports," according to a resolution by Vest-Agder Labor Party.

Districts

Labor Party finance spokesman Gunnar Berge sharply criticized the government's district policies at the annual Nordland district party meeting.

"In many ways the Willoch-government has had a negative impact on jobs and settlement in the districts," said Berge. Among other things, he referred to the fact that population in the northernmost districts declined by almost 3,000 from January 1984 to July 1985, while it increased by more than 18,000 in the country as a whole.

Therefore, the deputy parliamentary Labor-Party leader warned that the party would again propose to establish funds for local ventures of up to 2 million kroner to benefit 20 to 25 of the worst-hit counties on a trial basis. He also promised that the largest opposition party would propose personnel-development funds for 100 small industries in Northern Norway and other developing districts. Berge also said it is strange that "district policies weaken whenever the Center Party is in government."

"I assume that due to the many problems connected with trade, industry and jobs, none of the delegates raised the issue of nuclear arms on foreign ships," parliamentary representative Kjell Opseth told AFTENPOSTEN. At the annual district meeting of Sogn and Fjordane Labor Party, deputy leader Einar Forde discussed the wear and tear within the government. "The Labor Party must be prepared to take over any time," said Forde.

Sogn and Fjordane Labor Party "declared" that the government "does not have the will to carry out policies that would solve district problems." The district party also criticized the nonsocialist "savings policy within the public sector" as being a threat to settlement. It requested more money for roads, bus and ferry services. The government should follow up on a parliamentary resolution to establish a technical college in Sogn and Fjordane, and the district should also get an engineering college.

Paper Hits Warship Arms

Oslo ARBEIDERBLADET in Norwegian 26 Feb 86 p 6

[Editorial]

[Text] Norway has requested and been granted rather special privileges within the NATO alliance. Nuclear weapons are not and shall not be deployed on Norwegian territory in peacetime. Other nations' military forces are not and shall not be permanently stationed here in peacetime. Also, the nuclear policy has been enjoined by a declaration to the effect that visiting warships shall not carry nuclear arms when entering Norwegian ports in peacetime.

This is basically the content of former Prime Minister Trygve Bratteli's statement of 1975. Bratteli also specified that Norwegian nuclear policy should not be broken or altered if, despite the government's condition, warships visiting Norwegian ports in the present or past were found to be carrying nuclear arms.

Several district Labor Party organizations are now submitting proposals to change the Bratteli statement on warships in Norwegian ports. The annual district meeting of the Oslo Labor Party will consider several such proposals this coming weekend. These proposals essentially demand that the Norwegian government actively pursue declarations from each and every visiting ship to the effect that they do not carry nuclear arms when entering Norwegian ports. These proposals are based on the suspicion that visiting ships, primarily U.S. warships, do not respect Norway's condition and still carry nuclear arms when they enter our ports. It is strongly suspected that the battleship "Iowa" had nuclear arms aboard on its visit to Oslo last year. We have no proof of this. As far as the "Iowa" is concerned, questions have been raised as to whether the ship actually did have nuclear arms aboard on its visit to Norway.

At first glance it may seem desirable to obtain a more definite guaranty than the general condition that all ships in Norwegian ports not carry nuclear arms. But we suspect that the consequences of this position are not equally clear to all who support the demand for a more specific guaranty.

Our relationship with the United States in particular will be threatened if a request for guaranties from every single ship were to become Norwegian policy. When the Foreign Affairs Committee visited Washington recently, U.S. authorities made it quite clear that a request for declarations from each and every ship would be completely unacceptable to the United States. This would minimize and possibly eliminate, or at least reduce the possibility of operating in the North Atlantic Ocean. The U.S. warning is not an empty one. Reactions toward New Zealand were rather sharp. And although Norway is more important to the United States strategically, this issue will undoubtedly affect Norwegian security policy in a fundamental way.

This is our perspective on the issue. In any event, we should debate Norwegian security policy, and this debate would be of an entirely different nature than the debate on whether one or more warships may have carried nuclear arms when entering a Norwegian port.

Proposals to request declarations from every visiting ship also have another effect; they undermine the attempt to establish a nuclear-free zone in the North. Our chances to promote a nuclear-free zone will be diminished by the political forces and the political "capital" spent on the issue of ships coming into our ports.

We have no doubt at all about where we might best spend our efforts. Furthermore, there is absolutely no need to invalidate the policy formulated by Bratteli. Instead, it should be protected against tendencies toward divergent formulations on the part of the government lately.

Brundtland Rejects Chemical Weapons

Oslo ARBEIDERBLADET in Norwegian 26 Feb 86 p 8

[Article by Halvor Elvik]

[Text] Labor-Party Leader Gro Harlem Brundtland opposes any Norwegian cooperation in starting U.S. production of chemical arms. Congress has stipulated that European NATO countries must agree to such weapons before starting production in the United States. Gro Harlem Brundtland referred to a joint statement by the Foreign Affairs Committee, Recommendation 225, on the agreement to ban production and storage of new chemical weapons. The party program goes one step further by supporting efforts to establish a chemical arms-free zone in Central Europe.

"The natural thing for Norway to do would be to opt for negotiations and oppose new arms. A chemical-arms ban was also a point in the Geneva Summit communique," said Brundtland.

Wrong to Start Production

"Should Norway support U.S. production of such weapons?"

"No, Norway should stress negotiations. European countries should not contribute to a process that will result in the production of chemical weapons. In addition to the party program, the Labor Party has supported the work of SPD in West Germany through Socialist International to establish a chemical arms-free zone in Central Europe."

Crisis Plans

The Labor Party leader also opposes talks between Norway and the United States relative to plans to deploy chemical weapons in Norway in a crisis-situation.

"The stand we should maintain is that Norway will not contribute to anything that might start the production of new chemical weapons," she said.

In Parliament

Labor-Party representative Liv Aasen asked Minister of Foreign Affairs Stray about this yesterday. The Labor Party Foreign Affairs Committee wants to debate this issue in Parliament.

"No Deployment of Chemical Weapons"

At its 13 February meeting, the NATO Military Committee agreed to ask the United States to replace its arsenals of old chemical weapons in Europe. This was NATO's initial response to U.S. production of new chemical weapons.

Norway's representative on the NATO Military Committee has indicated that Norway does not want chemical weapons.

"It is out of the question for Norway to enter bilateral negotiations with the United States on the deployment of chemical weapons in Norway in a crisis-situation," Ministry of Foreign Affairs Undersecretary Torbjorn Froysnes told ARBEIDERBLADET.

He pointed out that Norway will not take part in any such negotiations on any level.

"It is not Norwegian policy to deploy chemical weapons in Norway in a crisis-situation," said Froysnes, referring to Armament-Reduction Recommendation 101 as the latest document to confirm this.

Without Debate

Froysnes said it is still somewhat unclear how the United States will handle the chemical weapons issue in NATO.

"U.S. opinion seems to be that Congress has decided new chemical weapons will be part of the U.S. arms goal. The goal with respect to individual countries can only be negotiated through the alliance and will not be subject to debate or approval by others," said Froysnes.

Military authorities are deciding the arms goal, which will only be reported to the various defense ministers at the Defense Ministers' meeting. The arms goal will not be subject to debate at the defense ministers' meeting constituting the NATO Council.

Union Campaign Against SDI

Oslo ARBEIDERBLADET in Norwegian 25 Feb 86 p 7

[Article by Ole Ask]

[Text] Some 18 LO (Federation of Labor) unions have begun a spring offensive against Norwegian participation in the U.S. armed space program.

They have issued a statement demanding that Norway use its international influence to stop both Soviet and U.S. plans to militarize world space.

This statement was aired at a press conference yesterday. Sometime this spring, possibly in April, Parliament will debate Norwegian industry's eventual participation in research connected with the U.S. armed space program, called SDI. It is in anticipation of this debate that LO is stepping up its efforts in cooperation with No to Nuclear Weapons. Among other things, the federation is planning a big rally supported by union representatives from the entire country just before the issue comes up for debate in Parliament.

However, Artur Svensson representing the Norwegian Chemical Industry Workers Union and Harald Overaas, the Norwegian Workers Union, promoters of the Rally, did not want to go into any details on this.

Stepped-Up Efforts

"This is just the initial phase of our stepped-up efforts against the militarization of world space and Norwegian participation in the U.S. star-war program," said Svensson.

Sometime this spring Parliament will debate two space-weapon proposals submitted by the Socialist Left Party and the Labor Party. According to the two union leaders, a parliamentary majority opposes Norway's participation in SDI.

The expressed aim of the union action is to call attention to this majority. Or, as Magne Barth representing No to Nuclear Weapons put it: "The Labor and Socialist Left parties' programs are clear and there is also support for saying "no" to Norwegian participation in the middle parties' programs."

This action on the part of LO, which includes a large number of industrial unions, but not the Iron and Metal Workers Union, establishes: SDI has no civilian aspect. Therefore, the unions call into question statements by the Conservatives, portions of Norwegian industry and the Industry Association.

Party Organizations Oppose N-Armed Ships

Oslo ARBEIDERBLADET in Norwegian 24 Feb 86 p 7

[Article by Grete Berget]

[Text] "We are not going to give in. According to presently available information, there is no reason to change our position, not even the Labor Party leader's sharp criticism of our proposal nor Akershus Labor Party's endorsement of same last weekend," said Thore Lauvsnes, head of the Metal Industry Labor Party organization. He is supported by Labor Party Youth-Organization (AUF) leader Turid Birkeland.

The Metal Industry Labor Party organization, AUF and Oslo Labor Party Women's Committee have submitted proposals demanding that foreign ships entering Norwegian ports guarantee they are not carrying nuclear arms. Labor Party leader Gro Harlem Brundtland has sharply criticized the proposals, pointing out that they conflict with the party-program's nuclear policy. The "nuclear debate" in Akershus Labor Party produced a unanimous resolution, i.e. full support of the party-program policy. The annual meeting of Vest-Agder Labor Party resulted in a majority vote to demand foreign ships entering Norwegian ports guarantee they do not carry nuclear arms.

Not Giving In

"The Labor Party is opposed to nuclear arms in Norwegian ports and, more and more, the suspicion that foreign ships do carry nuclear arms is being confirmed. Why then should we not demand guaranties or declarations?" asked Lauvsnes.

"We are not going to give in on the basis of the information we now have. Gro's information is not sufficient reason to change our position. We have not been given sensible explanations. If new information becomes available, we will join in the discussion of same," said Lauvsnes.

He is supported by Oslo AUF leader Turid Birkeland. "We are not giving in and I do not see anything new on this. What Gro is presenting is not new, but old arguments," said Birkeland.

Annar Lillemahlum, the head of Oslo Student Association, commented on the matter saying he supports the proposals' intent.

Researchers Organize Anti-SDI Campaign

Oslo AFTENPOSTEN in Norwegian 6 Mar 86 p 80

[Article by Torill Nordeng]

[Text] "Star-war research is immoral; it can undermine peace. The goal is unobtainable and frightened people are deceived, being led to believe that a nuclear war can be fought in space alone." These words came from Norwegian researchers, led by two former university presidents. They urge the scientific community in Norway not to participate in any U.S. star-war program plan, and they will ask Parliament to say "no" to Norwegian star-war research.

Former university presidents Otto Bastiansen and Bjarne Waaler, together with research assistant Bjorn Kirkerud and Oslo University professor Hallstein Hogasen met with the Oslo press yesterday and submitted plans for a petition campaign among university and scientific-institute researchers in Norway. They do not wish to get involved in star-war technology, in the East or the West. A society called "Science and Responsibility in the Nuclear Age" is formally responsible for the campaign.

Support

"We predict very good support. A number of Norwegian researchers have already refused to participate in the development of a data-controlled nuclear space-war system," said Bastiansen and Waaler.

Their arguments against star-war programs are many. They believe it will be impossible to build an impenetrable shield across the world, whereby nuclear weapons will not reach us.

They stress the key role of researchers in today's world, believing they have a moral obligation to humanity on earth, both with respect to this and future generations.

Apolitical

All four leaders are very determined that the campaign not benefit a particular political view, although they clearly see questions that no doubt will be raised:

"Will our refusal to participate in the SDI program create anxiety within the NATO alliance? What about future negotiations between the United States and the Soviet Union, and what about a country like France that wants to be able to defend itself against attacks both from the East and the West?"

Limitations

Both Waaler and Bastiansen see the limitations of a Norwegian petition campaign. Not all researchers will have the same moral evaluation. Others will see how useful this knowledge may be to research in more peaceful areas. Still others may be involved in marginal projects, where it might be difficult to trace funding back to the SDI program.

Wrong to Refuse

Among those who do not share Waaler and Bastiansen's view is Johanes Moe, administrative director of SINTEF (Foundation for Industrial and Technical NTH Research). He feels it would be wrong to refuse Norwegian researchers and industries the chance to participate in and benefit from any knowledge derived from the SDI program. At the same time, he understands the moral issues confronting individual researchers.

"No SINTEF researcher will be requested to participate in an SDI-financed/affiliated project," he said.

Frydenlund Defends NATO Interests

Oslo AFTENPOSTEN in Norwegian 6 Mar 86 p 2

[Editorial]

[Text] We must not make demands that our allies cannot meet due to their security considerations. With these words, former Minister of Foreign Affairs Knut Frydenlund begged the annual assembly of the Oslo Labor Party not to adopt a resolution to demand that warships entering Norwegian ports declare they are not carrying nuclear arms. And Labor Party leader Gro Harlem Brundtland plainly stated she would not accept any such resolution.

Frydenlund's reasoning is clear and should have been submitted earlier. Several Labor Party district organizations have already adopted such nuclear resolutions, and we see this as going beyond all reasonable limits since the party leadership worked extremely hard to promote the only right solution. If all had tacitly approved the proposal submitted by a Oslo Labor Party Editorial-Committee majority, we would seriously have questioned the Labor Party's credibility in a vital area.

On the other hand, Mr Frydenlund could have saved himself the ill-chosen reference to the Conservative Party in this connection. According to him, the Conservative Party was poised in the starting gate, just waiting for an irresponsible resolution. "But this they are not going to get," said Frydenlund. Based on earlier experience, we believe that the nuclear guaranties' resolution may have been of greater benefit to the Socialist Left Party (SV) and No to Nuclear Weapons, which by means of the Labor Party resolution have gained considerable support for their own actions.

We interpret Gro Harlem Brundtland's strong opposition to the proposal more as a perception that it cannot be put into practice than as fear of conceding a cheap point to the Conservatives. Oslo Labor Party is very important to the largest opposition party. Issues raised and adopted here tend to set the pattern for the national party assembly, despite assertions over the years that it is time to "have a showdown" with the Oslo left wing. To a modest degree, but in an important area, this showdown has now taken place. The party leadership, with Knut Frydenlund as security-policy interpreter, has now made it clear that a party seeking government power cannot allow itself to be bound by resolutions that preclude participation in a defense alliance we all want Norway to be part of.

The annual meeting of the Oslo Labor Party has been characterized as a foreign-policy mine field. We agree that an irresponsible resolution would further complicate the situation in Parliament and damage the Labor Party itself, both short and long term. The valid Norwegian view on such issues was formulated by the Bratteli-government in 1975, specifying what our nuclear policy is. Nothing new has happened to call for an expansion of the Bratteli statement, and Knut Frydenlund's plea not to make impossible demands only underscores this.

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POLITICAL PORTUGAL

LIBYAN PEOPLE'S BUREAU OFFICIALS PLACED UNDER SURVEILLANCE

Lisbon O JORNAL in Portuguese 24 Apr 86 p 52

[Excerpts] The People's Bureau (embassy) of Libya in Lisbon has been placed under observation by the Portuguese authorities in order to establish or confirm the type of activities in which the Libyan officials and diplomats are engaging. None of them (even the head of the diplomatic mission) is accredited in Portugal, O JORNAL has learned from government sources.

Late in the spring of 1984, a Libyan citizen named Nuri Mohamed Betelmal called at the Portuguese Embassy in Paris and, displaying an official passport, requested a visa so as to travel to Lisbon. He was granted a visa a few days later.

At the beginning of the summer of that same year, Mohamed Betelmal presented himself at the Ministry of Foreign Affairs in Lisbon, claiming to be the "Libyan charge d'affaires." His personnel documents were examined at the MNE, and it was decided that there was "nothing to prevent" the Libyan diplomat from settling in Portugal.

On 7 July 1984, the Libyan People's Bureau, headed by its "secretary," Nuri Mohamed Betelmal, opened officially on Avenida das Descobertas in Lisbon. Under his direction, four other individuals began to work at the diplomatic mission--a press attache, a consular attache, and administrative affairs official and a financial officer.

Portuguese Government Tolerant

In addition to the secretary of the People's Bureau (who in practice is treated as an ambassador) and the other four representatives of the Arab Jamahiriya (officially, Libya has no career diplomats), an undetermined number of employees, including some "security" officers, keep the "embassy" operating.

About 2 years have passed. Nothing unusual has occurred involving the Libyans in Portugal, much less their diplomatic mission. However, neither Mohamed Betelmal nor any other official at the People's Bureau has ever presented any credentials to the Portuguese authorities.

In view of the "sui generis" aspect of the Libyan diplomatic missions abroad, ith People's Bureaus instead of embassies and "secretaries" instead of ambassadors, and since the same situation existed in other European countries, the Portuguese government "closed its eyes" to the somewhat obscure status of the Libyan diplomats in Portugal.

Never Any Differences

Asked about this matter by O JORNAL, Ambassador Brito e Cunha, the MNE spokesman, explained that "There have never been any differences between the Portuguese government and the Libyans," and he concluded that if the head of the People's Bureau has never been accredited in Portugal, "it is because his letters of credit were never presented in Lisbon."

It was not until the EEC ministers took a stand following the acts of terrorism committed in Europe and the American raid on Libya that the Portuguese government began to review the situation of the Libyan diplomats in our country.

People's Bureau Remains

The Portuguese authorities, in accordance with the resolution adopted at the meeting of the EEC ministers of foreign affairs in Luxembourg on Monday, summoned the Libyan diplomatic representative in Lisbon that same day to announce the implementation of measures limiting the free circulation of diplomats and other Libyan citizens in our country. The measures adopted at the Luxembourg meeting, of which Mohamed Betelmal was informed by Ambassador Ribeiro de Meneses, deputy director general for political affairs at the MNE, require the reduction of the number of Libyan diplomatic employees in the EEC countries to the number of European diplomatic personnel serving in Libya, and the expulsion of the diplomats or citizens of that Arab country suspected of involvement in terrorist activities.

The EEC member nations will implement these measures consistent with their interests, and it is not expected that Portugal will expel any of the People's Bureau diplomats serving in Lisbon, much less close down the Libyan diplomatic mission.

Surveillance

However, Qadhdhafi's embassy is under observation by the Portuguese authorities, as are 20 Libyan citizens who are working or studying in Portugal (in June of 1985, there were 17 Libyans here attending a pilots' course and two young people enrolled in university courses).

The number of Libyan diplomats in Portugal is not regarded as abnormal in terms of the situation in other European countries, in particular Greece (where the Libyan embassy has 40 employees). However, according to our sources, it is not quite normal either for the Libyan People's Bureau in Lisbon to have as many diplomats as the Greek Embassy in our country does, since the latter is a Community nation.

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POLITICAL PORTUGAL

CGTP SEEN ON THRESHOLD OF CHANGES

Lisbon O JORNAL in Portuguese 1 May 86 p 7

[Article by Jose Pedro Castanheira]

[Excerpts] Armando Teixeira da Silva is the main speaker at the celebration of the 1 May centennial sponsored by the CGTP-IN. However, this will be the last 1 May at which this official, who has held the highest post in the hierarchy of the confederation since 1977, will preside. The First Inter Congress, to be held at the end of May, will elect a new leader. The replacement of Teixeira is the most visible indication of a change which is taking shape in the leadership of this trade-union body, and above all in its political and trade-union strategy.

Since the end of last year, the replacement of Teixeira da Silva has been regarded as a certainty.

It is acknowledged that the last action of Teixeira da Silva as coordinator of the CGTP will be at the next national congress scheduled for 29-31 May, at which he will read the report on the last 3 years of activity. He will certainly be elected to a seat on the future national board of the trade union organization, but not to the position he has occupied for the last 9 years.

A Leader for Change

The replacement of Teixeira da Silva is based on various factors, some of them of a purely personal nature. In the past year it has become evident to ever broader circles in the trade union body that Teixeira da Silva was not the man best suited to head the process of change in the trade union body. This process is regarded as indispensable, being called change by some, while others prefer to speak of it as adaptation.

It is felt in CGTP circles in fact that the crisis in the trade union movement and in Portuguese society cannot be ignored, such that the trade union body would do well to draft a new strategy for action. The entry of Portugal into the European Economic Community, consistently opposed by the Inter; the inevitable opening up of the national economy to multinational companies, based on a very special business logic; the irreversible technological revolution; increasing weakening of the trade union movement; the consolidation of the UGT as a workers organization; the aggravation of job insecurity, along with the spread of such problems as unemployment, back wages owed, term contracts and temporary work; the decreasing importance of "blue collar workers" in the working classes--all these are among the factors which suggested to the CGTP the need to redefine its strategy.

This strategy, moreover, had been regularly set aside in favor of priorities of a tactical nature, among which the political battle against the successive governments loomed large.

Support From Judas

The discussion was initiated a few months ago, and has already taken partial shape in the draft proposals for the theses to be submitted to the congress.

Many observers are increasingly convinced that a change in the union body, in terms of trade union strategy and political leadership, must, if it is to be profound, involve Jose Luis Judas. This view is shared by the majority of the minority factions in the body, and by a major portion of the communist faction as well.

Judas, the founder of the Intersindical in 1970 and a communist militant since the 1960s, has been called upon for leadership during all the periods of crisis, and it is he who was mainly responsible for the adaptation of the union body to the constitutional regime, which was effected at the congress in 1977, when he headed the single slate for the national secretariat. He is familiar with almost all the aspects of the business, but it is as a CGTP strategist that he has distinguished himself most. It is not surprising, then, that it is he once again who heads the "renewal" faction.

His popularity with the Inter ranks is undeniable, as was made clear at the last congress, where he was by far the speaker most enthusiastically applauded by the delegates. Where the present secretariat is concerned, he seems to have the support of all of the minority members, and of important communist cadres as well, such as Carvalho da Silva, Ernesto Cartaxo, Carmo Tavares and Florival Lanca. Among those with the most reservations about him are his party comrades Armando Teixeira da Silva, Alvaro Rana and Pacheco Goncalves. This split, moreover, is not of recent date, since it developed thanks to the two approaches coexisting within the communist trade union faction.

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POLITICAL PORTUGAL

UDP CLAIMS INCREASE IN TOTAL MEMBERSHIP

Lisbon SEMANARIO in Portuguese 19 Apr 86 p 12

[Article by Victor Bandarra]

[Text] Tome did not win the Sao Bento post, nor did Pintasilgo make it to Belem, and yet the UDP insists. Almost alone in the history of the European extreme leftist movements, it says it is winning ever more members. And it still has its gaze fixed on Albania.

The largest extreme leftist organization in Europe is Portuguese. It is called the UDP, and in 2 years it has increased the number of its militants by 42 percent, a party leader has told SEMANARIO. By figuring it up, one can say that more than 4,300 Portuguese citizens make their membership in the organization which defends "the true popular regime" a point of honor.

This week in VOZ DO OPERARIO, the UDP announced a national conference. For what purpose? To analyze the "new balance of forces" which has emerged following the presidential election. The organization supported Lourdes Pintasilgo and was defeated, but "it was all worth it." Moreover, the UDP "has now grown a great deal," we are assured.

The party does not hesitate to state that "Only we and the rightists have clear, although opposite, views about certain problems." The right wing is intelligent and "has a clear policy," which is not the case with either the PS or the PCP, according to the analysis of the men of the UDP.

With a proposal for struggle, the organization will in the near future oppose any possible "labor package," the Income Law and the Internal Security Law. Basically, these are three subjects which have been dear to the heart of the UDP since the glorious days of the PREC.

Concerned about "the dangers of increasing fascism" in the regime, the UDP sent a letter to the PS, PCP and MDP/CDE this week, proposing joint meetings to combat "the current project of the right wing."

Unity against the government, yes, but based on concrete struggles. Recently the UDP even refused to attend a joint meeting with the PCP, because the party of Alvaro Cunhal had not presented an agenda of items to be discussed. "We want to talk about concrete struggles, as it is of no interest to talk vaguely about joint positions."

The UDP admits that the government is acting intelligently in the labor sector. "It is doing things without fuss--discussing, approving and moving ahead," a leader said.

In the trade union struggle, the UDP is a part of the CGTP, in the so-called trade union class faction. This same leader said the recent decision to allow factions to exist in the trade union body will strengthen the positions of the UDP.

In addition, he is convinced, "The PCP is having serious difficulty supporting its positions in certain places."

On the regional level, the organization currently has 52 self-governing bodies under its control and had elected three parish council presidents, including the very special case of Machico, in Madeira, where Father Martins is as well known as Alberto Joao Jardim.

"More than 92 percent of the UDP militants are workers or working class people," the party leaders say with pride.

More than 70,000 Portuguese citizens gave their votes to the UDP in the last legislative elections. "This was a triumph," the leaders say. Defeat was even due to the lack of justone deputy in the parliament, since Mario Tome had 238 votes for the Sao Bento post, for the Lisbon area.

The UDP seems to have learned from its errors. While it has a deputy in the parliament, the party action was focused too much on the Sao Bento post, and organizational details in the field were neglected.

Later, at the congress, the so-called "people's 25 April" line was abandoned, since, this same leader recalls, "It was not very clear what it was."

Currently the task is "to gather forces, to organize and to blaze our own path." In other words, the UDP recognizes that the events of 25 April occurred 12 years ago and that "the struggles now are different."

As to the people's government, the UDP continues to think that the Soviet Union is social-imperialist, and it rejects the "paternalism" of the PCP, the "favoritism" of the PS, and obviously, what it calls the "fascist-oriented policy" of the PSD and the CDS.

On the international level, Albania also continues to be "the only socialist country in the world."

A Portuguese scientist affiliated with the UDP recently went to Albania as a proud solitary visitor. And he came back with a certainty. "They may not have luxuries or carpeted offices like ours, but they have more computers than Portugal." This is the philosophy.

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POLITICAL PORTUGAL

PRD OFFICIAL DISCUSSES PARTY POSITION, STRATEGY

Lisbon O JORNAL in Portuguese 24 Apr 86 p 8

[Interview with PRD President Herminio Martinho by Daniel Ribeiro in Paris in April 1986]

[Excerpts] Concern About the Government

[Question] What is the current position of the PRD concerning the government of Cavaco Silva?

[Answer] The government continues to function, it has every legitimate right to function, and we continue to follow all the actions of the government very closely, as is our duty, and to exercise, through the Assembly of the Republic, the supervisory action which is its constitutional responsibility. And we will never abandon this position. We will not create any artificial obstacles to the government's action, but we are in a way concerned about some issues which have been raised by the government against the Assembly of the Republic itself. They concern us because we do not know exactly what its purpose is in attributing to the AR less responsible activities on an almost permanent basis.

And this at a time when the AR has acted exclusively in accordance with its authority. And it will not cease to do so, it is well to make this clear. It is basic for the country and for democracy that the institutional bodies act in accordance with their authority. It is the government which depends on the AR, and that it should act for the first time in the way it should is normal and legitimate, and it should continue thus.

[Question] Thus the strategy of the PRD will not for now be frontal opposition to the government, but use of the ssembly to supervise its actions?

[Answer] I have told you that we will not take one step to create artificial obstacles for the government, but if the government begins to demonstrate that it is not capable of finding solutions to the main problems affecting us, we will do nothing to keep it in office artificially either.

Assessment of President

[Question] About President of the Republic Mario Soares. How does the PRD see Mario Soares as president of the republic today?

[Answer] Dr Mario Soares was democratically elected, he is the president of the republic, and we hope that he will carry out his duties with full dignity and efficiency, because this is important for democracy and the country. It is important that the presidency of the republic be a factor in stability and dignity in Portuguese political life, as it was with General Eanes.

[Question] Do you think that Mario Soares enjoys better conditions for such dignity and stability in public life than, for example, would be the case for Freitas do Amaral?

[Answer] I believe that Dr Mario Soares will be capable of continuing to ensure these qualities of respect and dignity in the post of president which are needed for the stability and the dignity of the country itself.

Important PRD Role

[Question] You said a short time ago that the PRD was a party in democratic socialism and the social democratic area. There are two parties which claim this space. How would you situate the PRD in relation to these two parties, above all in view of the fact that the situation in the PS may change again shortly?

[Answer] The situation in the PS is just that, and we have no reason to involve ourselves in the problems of the PS. These are problems on which, if such exist in the internal life of the PS or the PSD, we have a clear position. If the PSD had been a social democratic party in fact, and if the PS had been a socialist party in fact, and if, when they were in power, they had acted in practice in accordance with the principles and programs set forth, the Democratic Renewal Party would certainly not have emerged in Portugal.

[Question] And what if they were now to change in this direction, in a direction regarded by the PRD as more positive?

[Answer] Certainly some improvement in this direction might even have something to do with the appearance of our own party. What is certain is that actions are expected to occur today which will be very positive for the democratic life of our country, already due to the actions of the PRD, and this is a concrete and real situation and the people of Portugal will follow it and analyze it. I hope that in fact, thanks to our actions, the people will be able to continue to see this change and this new political practice, understanding that this very positive position in Portuguese political life is already concrete evidence that something will change in Portugal for the better, and that the PRD must play an important role in this change.

PCP Can Be Positive

[Question] The PCP has always defended your establishment as a party. How does the PRD regard the PCP in Portuguese political life?

[Answer] We took the initiative in making contact and launching a dialogue with all the parties. We did the same with the PCP, and we believe that in democracy dialogue is fundamental, and we will continue along this line.

[Question] Do you regard the actions of the PCP as positive for Portuguese society at this time?

[Answer] Today the actions of the PCP are limited to the Assembly of the Republic, and if it acts solely within democratic parameters, its actions will always be positive.

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YOUTH POLL ON ATTITUDES, IDEALS, POLITICS

Values Ranked

Lisbon EXPRESSO in Portuguese 25 Apr 86 pp 16R-18R

[Text] Of course, anyone younger than 25 today did not breathe the atmosphere of the previous regime, nor was he fed by the euphoria of 25 April [1974]. In other words, he did not experience the revolution, with all the upheaval (perhaps the greatest of the century) that signified for Portuguese society. But when posing the question of whether the young people experienced the revolution, one is dealing not so much with their personal experience (as they were not yet adolescents at the time), but rather is trying to learn whether the heady years of 1974 and 1975 had any effect on those who were then still growing up.

This was the central objective of an EXPRESSO/EUROEXPANSAO survey of Portuguese youth over 15 years of age. And, before going into a detailed analysis of the figures, we can advance one major conclusion: young people, as a rule, do not think much differently than adults. Which leads to posing another question: could it be that, 12 years ago, there was a social upheaval at the same level as that reached by another, of a political nature? Upon evaluation of the data of this study, there seems to have been a particular continuity in that field.

So let's look into the survey, in the order in which it was presented, to see how one could reach such a conclusion.

The first question asked of those interviewed consisted of showing them a list of 19 notions about life drawn up by those responsible for the survey and asking them to select the one that, to them, was most important (first part of Table 1).

Almost one-fifth (19 percent) chose as their highest objective achievement of "a peaceful world," followed closely by more individualistic objectives: "a comfortable life" and "family security." Curiously, altruism seems to carry greater force with the young, as the value chosen most often by those over 25 is "a comfortable life." The difference, however, is not great enough to be considered significant.

In fact, the choices of both age groups are almost the same: the ideals mentioned above have almost the same percentage weight in both groups, as do most of the rest. In other words, both desire and reject the same things. The differences

Table 1: What Is the Most Important Goal of Life? [figures are percentages]

Part I: Choose Only One:

		Age		Sex/Age				Socio-economic Level			
Ideal	Total	Under 25	Over 25	Male Under 30	Male Over 30	Fem. Under 30	Fem. Over 30	Upper	Upper Middle	Lower Middle	Lower
Peaceful world	19	21	18	20	14	20	22	19	19	18	21
Comfortable life	18	15	19	16	17	22	19	12	15	21	21
Family security	12	7	13	8	17	10	11	2	13	13	12
Happiness	7	7	7	5	7	7	7	9	7	6	9
Freedom	6	9	5	9	5	7	4	10	6	5	4
Salvation of soul	5	3	6	3	5	2	8	5	4	5	9
Self-realization	5	11	3	13	4	6	2	12	6	4	2
True friendship	5	4	5	3	6	7	3	2	7	4	3
Fight for justice	3	3	3	1	6	2	2	7	3	2	5
Dignity	3	1	4	3	5	1	3	4	4	3	1
Equality	3	3	3	2	3	3	2	2	3	3	0
Wisdom	3	3	2	3	3	3	2	2	4	2	1
Enjoyment of life	2	2	2	1	3	2	2	0	2	3	3
An exciting life	2	7	1	8	0	1	1	1	1	3	2
True love	2	1	2	1	0	2	3	2	1	2	2
World of beauty	2	1	2	1	2	3	1	2	1	2	0
National security	1	2	1	1	0	1	2	2	2	1	0
Inner harmony	1	1	1	2	0	0	2	3	1	1	0
Social standing	1	1	1	0	1	1	0	2	0	1	0

Part II: Choose the Five Most Important:

		Age		Sex/Age				Socio-economic Level			
Ideal	Total	Under 25	Over 25	Male Under 30	Male Over 30	Fem. Under 30	Fem. Over 30	Upper	Upper Middle	Lower Middle	Lower
Peaceful world	69	69	69	68	66	68	73	64	70	70	67
Comfortable life	40	39	41	36	42	46	39	26	33	46	52
Family security	47	38	50	14	29	19	38	7	36	45	13
Happiness	45	49	44	39	44	52	47	46	43	46	49
Freedom	36	41	35	50	40	31	29	39	42	33	30
Salvation of soul	20	10	24	7	24	13	56	6	23	53	18
Self-realization	18	29	15	31	15	25	12	36	22	14	9
True friendship	29	31	29	17	26	41	32	23	27	30	37
Fight for justice	28	27	29	33	38	22	21	46	29	27	18
Dignity	24	17	26	25	28	17	23	31	29	20	18
Equality	26	27	26	33	29	23	23	23	25	29	24
Wisdom	10	13	10	13	10	9	10	12	11	11	6
Enjoyment of life	17	25	15	26	17	16	14	15	16	20	14
An exciting life	8	20	4	20	4	12	3	16	7	8	5
True love	26	29	25	25	23	29	26	18	30	23	29
World of beauty	6	6	7	4	8	8	6	6	5	8	7
National security	17	12	19	12	23	13	17	18	20	16	12
Inner harmony	13	11	14	14	8	10	18	19	13	11	18
Social standing	6	6	5	8	8	2	4	8	7	5	3

are not really very surprising: the adults are more concerned about "family security" because they certainly have a better appreciation of what this means; young people are more likely to choose "self-realization" and "an exciting life" because, at their age, all dreams are permissible. One also notes greater mysticism ("salvation of the soul") on the part of adults and greater desire for "freedom" on the part of the young.

Analyzing the findings of the survey, one concludes that the greatest differences are between those under 25 and those over 30. In other words, the sharpest line of demarcation is somewhere within the 25-to-30 age group (those who were 14 to 15 years old on 25 April 1974), which means that, if indeed there are opposing (although not very radically) groups in this study, they can be divided between those who were just coming into maturity at the time of the revolution and those who at that time already had an extensive awareness of the world.

Thus, in cross-checking between sex and age, findings for those over and under 30 are shown (see Table 1). The most intriguing conclusion to be obtained from this operation involves "self-realization": it is seen immediately that the weight of this ideal in the overall results is due above all to its being an ambition of the young men who took part in the survey.

Same Ideals

Skipping over a breakdown of the findings according to socioeconomic status (shown here merely as a curiosity, as we are essentially seeking intergenerational differences), we come to the second part of Table 1, which summarizes the answers to another question. It develops from the previous question, this time asking the person to choose not just one but the five ideals he considers most important in his life (of course, the vertical sum of the percentages will now be 500 instead of 100).

There is a striking consistency of the five most-mentioned ideals with the first part of the table and between the two age groups. Curiously, "salvation of the soul," which the young people mentioned less frequently than the adults in the previous part, is now mentioned more often in that age group. Which means that, although not putting it in first place, those under 25 give this objective paramount consideration among the five most important things in their lives [as published].

Among the five ideals ranking after the five mentioned most often, there is a similar phenomenon: although far from being a goal to put ahead of all the rest (it was in only 16th place in the first part), "true love" emerges much more frequently here--it is now in 8th place in overall ranking (and 7th among those under 25).

In this category as well the same ambitions are mentioned by both groups, except that the youngsters prefer "self-realization" to "dignity."

Sex, Age Contradictions

Everything becomes more complicated when cross-checking sex and age. "Family security" appears among the five most important themes only for women over 30, falling to 13th place among men in the younger group. In fact, one begins to note at this point the difference between younger men and older women, which becomes a characteristic of the rest of the survey. It is noted, for example, in regard to "family security," "freedom," "salvation of the soul," "enjoyment of life," "an exciting life" and "self-realization." This difference indicates a greater ambition and social altruism on the part of young men and greater conservatism and conformity on the part of women over 30.

Based upon the replies to the previous question, and establishing 10 as the median of the 19 possible choices, it is possible to set up a mathematical value scale in keeping with the frequency of citation for each of the ideals. If this score is above the median, it has positive value; if not, it is negative. The results of this computation are shown in Table 2.

These figures permit a better observation of some differences. Thus, "peace," "security," "happiness" and "a comfortable life," as well as the somewhat mythical "world of beauty," are more characteristic of the older generation, while the somewhat hedonistic principles ("enjoyment of life," "an exciting life," self-realization," "wisdom" and "social standing") are a privilege of youth.

The differences between men under 30 and women over 30 also become clearer, especially in the categories already mentioned.

Honesty: Greatest of Virtues

Another set of questions was then given to those being interviewed, also having to do with ideals, but this time having to do with personality traits. Specifically, they were shown a list of--likewise--19 personal qualities and asked: "Which of these characteristics do you feel is most important to be found in someone?" (first part of Table 3).

"Honesty" was the characteristic chosen most often in the national total and in any of the groups included. But although Portuguese youth feel that honesty is the highest virtue, they also like persons who are well-mannered, open, cheerful and responsible. On the other hand they have little regard for those who are logical, intellectual, charitable or imaginative. This pattern of evaluation is, for the most part, the same for the younger ones as well as for the older. Clearly, young persons prize more greatly cheerfulness and--curiously--responsibility and ambition, but, like the others, ignore the characteristics that could be considered as indicative of an intellectual or artistic sensitivity: talent, logic, intellectuality and imagination.

In the replies about the five most important characteristics of the ideal person (second part of the same table) it is possible to distinguish sharper differences. In fact, youth seems to be associated with values related to individual initiative and (in spite of everything) some rebellion--ambition, independence, self-control and imagination (mentioned much more frequently here than in the first part). Older persons, in turn, show some signs of subservience and resignation: obedience, usefulness and charitableness.

Ambition is above all a characteristic of young men, as shown in the sex/age comparison--something they possess three times as much as women over 30 (again the

Table 2: Portuguese Value Scale of Ideals

Ideal	Total	Under 25	Over 25	Male	Female	Male Under 30	Male Over 30	Female Under 30	Female Over 30
Peaceful world	30	13	27	18	24	11	14	11	22
Family security	14	3	14	8	12	3	8	7	9
Happiness	12	6	11	6	11	3	6	6	9
Comfortable life	10	4	9	6	8	3	6	5	6
Freedom	7	4	5	7	2	6	5	1	1
Fight for justice	1	0	1	4	-4	1	4	-1	-3
Equality	1	0	-1	1	-3	1	1	-1	-2
True friendship	1	1	1	-2	4	-3	0	3	2
True love	-1	1	-2	-2	0	-1	-2	1	0
Dignity	-3	-4	-1	0	-4	-1	1	-3	-2
Salvation of soul	-4	-7	-2	-7	0	-7	-4	-4	2
Self realization	-6	1	-9	-2	-7	2	-6	0	-9
Enjoyment of life	-9	-1	-10	-4	-9	-1	-4	-4	-8
National security	-9	1	-2	-2	0	-1	-2	1	0
Inner harmony	-13	-7	-11	-11	-8	-4	-12	-8	-5
Wisdom	-18	-6	-18	-11	-15	-5	-10	-8	-13
An exciting life	-22	-2	-32	-11	-22	-2	-19	-6	-27
A world of beauty	-27	-12	-24	-17	-21	-15	-12	-8	-21
Social standing	-32	-13	-29	-16	-33	-10	-12	-21	-27

Table 3: What Is the Ideal Characteristic for a Person? [figures are percentages]

	Select Only One:			Choose the Five Most Important:						
		Age			Age		Sex/Age			
Characteristic	Total	Under 25	Over 25	Total	Under 25	Over 25	Male Under 30	Male Over 30	Female Under 30	Female Over 30
Honesty	23	20	24	78	77	79	82	79	75	77
Courtesy	12	10	13	62	59	63	55	65	58	64
Openness	12	12	12	29	33	28	35	25	30	29
Cheerfulness	11	15	9	44	56	40	48	37	52	42
Responsibility	11	14	10	49	52	48	50	48	50	48
Ambition	5	8	4	12	20	10	21	11	15	7
Obedience	4	3	4	21	11	24	13	26	17	23
Talent	4	2	5	17	19	16	20	18	15	16
Cleanliness	4	3	4	31	26	32	27	31	32	32
Courage	3	3	3	35	33	36	33	38	36	33
Independence	2	2	2	12	16	10	18	12	11	7
Usefulness	2	1	2	33	23	36	27	40	24	34
Affection	2	2	2	15	14	15	9	8	20	20
Amorousness	2	2	1	16	20	15	10	14	27	16
Self-control	2	4	1	8	14	7	18	6	9	5
Logic	1	1	1	5	6	5	6	7	7	2
Intellectuality	1	0	1	5	5	6	5	6	2	7
Charitableness	0	0	0	3	1	4	2	4	2	4
Imagination	0	0	0	12	16	11	21	13	10	8

Table 4: Portuguese Value Scale

Characteristic	Total	Under 25	Over 25	Male Under 30	Male Over 30	Female Under 30	Female Over 30
Honesty	40	16	37	17	22	14	26
Courtesy	24	9	22	7	14	8	17
Responsibility	14	7	12	6	7	6	9
Cheerfulness	11	8	8	5	4	6	7
Courage	5	2	5	5	2	4	2
Cleanliness	3	-1	4	0	2	1	2
Openness	3	2	2	3	0	1	2
Usefulness	3	-2	5	0	4	-1	3
Obedience	-5	-7	-2	-5	-1	-3	-2
Talent	-8	-3	-8	-2	-4	-4	-6
Amorousness	-9	-3	-9	-7	-6	0	-6
Affection	-11	-5	-10	-6	-12	-2	-4
Ambition	-14	-2	-17	-1	-8	-4	-17
Independence	-15	-4	-15	-2	-7	-6	-15
Imagination	-16	-4	-16	-2	-7	-7	-15
Self-control	-22	-5	-25	-3	-15	-8	-21
Intellectuality	-30	-14	-26	-12	-15	-18	-17
Logic	-33	-11	-32	-11	-13	-10	-42
Charitableness	-44	-34	-35	-44	-29	-19	-25

same divergence). The same can be said for independence, imagination and self-control--on the part of the former--and for affection--on the part of the women.

The distance between younger men and older women can be confirmed by Table 4--again a scale of scores attributed to each of the characteristics, in keeping with the answers given to the last question. It can be noted especially in regard to courtesy, ambition, independence, imagination, self-control and logic.

Lastly, a series of 15 phrases related to everyday life, with which the interviewee is to say whether or not he agrees (Table 5 showing the percentage of positive answers), makes it possible to establish a personality profile of each age group. A cursory reading of the lines related to social life and religion, the situation of women (in domestic and sexual terms), legalization of marijuana, obedience, world changes and married life serves to conclude that the younger people are less conservative, more open and tolerant. (Even so, more than half agree that it is better to obey than to command, that the world is changing too rapidly or that religion is important for happiness.)

Could this be a result of a liberalization of customs that has followed the revolution? If it were so, the generation that was most affected by 25 April, and that is now about 30 or approaching it, should think in the same manner. But the survey does not indicate that: the group of the "children of the revolution" is in the middle of the road between the younger people and those who are over 25 as a whole (for example, 35 percent think a woman's place is in the home, 39 percent favor sexual freedom for women and only 4 percent agree with legalizing marijuana). In other words, it is a group that is growing older normally, becoming more conservative.

Table 5: Choice of Phrases With Which One Agrees (figures are precentages)

		Age				Sex/Age			
	Total	Under 25	Over 25	Male	Female	Male Under 30	Male Over 30	Female Under 30	Female Over 30
I have attended a cocktail party or a formal dance during the last 6 months.	9	17	7	12	7	16	9	13	4
Religion is important for a full and happy life.	77	68	79	72	80	68	75	67	86
Achieving one's objectives is a matter of organization and work.	89	89	89	90	87	89	91	89	87
It is good to be competitive in work, in school and in sports.	88	88	88	91	85	91	91	85	85
A woman's place is in the home.	45	23	52	47	44	26	59	24	52
Smoking marijuana should be legalized.	7	14	5	8	6	12	5	17	2
From the economic point of view, I don't expect the future to bring much improvement.	45	48	44	48	43	42	51	47	41
I am usually busy all day.	75	66	78	70	79	70	71	74	81
To avoid conflicts, it is better to follow orders.	66	55	69	63	68	57	66	58	73
I wish my life were not so boring and routine.	68	69	68	70	67	70	69	71	65
The world is changing too rapidly.	63	52	66	60	66	55	63	57	70
Despite everything, I am happy with the life I lead.	76	75	76	74	77	69	77	81	76
It is perfectly all right for a couple to marry without wanting to have children.	53	73	47	58	48	76	48	63	42
Women should have greater sexual freedom.	37	58	30	46	29	62	37	47	21
We are spending too much money on armaments.	75	77	74	80	70	78	82	79	66

That is what apparently will happen with today's young people, whose liberalism is not very extreme, and tempered by a moderate dose of ambition and respect for power and authority, so that it does not seem to be more than the result of ephemeral youth itself. In sum, they have not experienced a revolution, in any sense of the word.

Methodological Notes

Universe: Population over 15 years of age, living in mainland Portugal (in localities with five or more homes).

Sample: One thousand and thirty individuals interviewed directly and personally in their homes (in 128 localities), using a structured questionnaire. Distribution of the sample is proportional according to region, habitat, sex, age and education of the universe. These variables were used to select the sample, following the "quota" technique.

Field work: Between 24 February and 10 March 1986, conducted by 56 supervised interviewers.

Reliability of findings: The margin of error (semi-amplitude of the confidence interval) is at most 3.1 percent for an 0.95 degree of confidence.

EUROEXPANSAO is responsible for the survey and EXPRESSO is responsible for analysis of the findings.

What Party Leaders Think

Lisbon EXPRESSO in Portuguese 25 Apr 86 pp 20R, 21R

[Text] What are the ideals of the leaders of the political organizations for youth? And what do they think of the ideals of those whom they represent?

Nothing would be better than to ask them also to reply to this survey's questionnaire. The request was granted by Carlos Coelho, of the Social-Democratic Youth, Jose Apolinario, coordinating secretary of the Socialist Youth, Joao Paulo Silva, of the PRD [Democratic Renewal Party] (in the absence of Ana Gonçalves, coordinator of Renewal Youth), Henrique Neves, of the Communist Youth, and Manuel Monteiro, of Centrist Youth.

The replies they gave us (see tables and analyses) reveal more points of contact than perhaps could have been expected and, at the same time, a way of looking at problems different from that shown in the survey by the majority of young people interviewed. It could even be said that at times these young leaders already belong to another generation, or better, that they come very close to the sort of concerns that preoccupy the older leaders of their parties.

In any event, they show an awareness of the change in attitudes. Carlos Coelho, for example, cites 25 April as the turning point:

"That is where the boundary is, the before and after," he points out. The 'before' were those generations that grew up in a society still very much marked by taboos, the 'after' refers to those who were adolescents and have been brought up with greater freedom, a freedom that neither was nor is purely political."

The liberalization of information, for example, has opened the way for penetration of images, messages and new forms of behavior and of relationships, previously unthinkable. For the young Social Democrat, this turning point was further marked by the influence of those returning from the colonies, many of them accustomed to other more open forms of life: "Look at what has happened to night life, for example."

'Time Bomb'

Jose Apolinario locates the change more in the area of political behavior: "There was a first phase of great agitation and nonconformity and now there is a great deal of disunity." Confrontation had to be followed by a phase of greater adaptation to exterior reality.

"But this will come to an end," he adds. "Tensions are increasing, the situation of youth is very difficult. The youth of our country are increasingly a time bomb."

A somewhat similar view is held by Joao Paulo Silva. Comparing his generation--and he is only 26 years old--with that of today's adolescents, the Renewal Party leader feels the latter have much less idealism:

"Today's youth are passing through a very materialistic phase," he explains. "What is important is to have a house, get a job, get good grades in school. They are more individualistic."

Joao Paulo Silva, however, raises the question of the legitimacy of speaking of only one "youth," and even asks whether it is correct to consider the associative movements of the early 1970's as representative of all youth. He thus questions, for example, the existence of a generation of definable values, such as that in France following May 1968.

An advocate of more gradual change, Manuel Monteiro clearly refutes such a rupture and adds:

"I don't feel all that differently than my parents and grandparents. Of course, there are other patterns of bahavior, particularly a greater willingness to engage in dialogue."

An example of this would be the greater facility with which, in the Assembly of the Republic, young people representing different parties come to agreement about the matters that concern them.

Lastly, Henrique Neves associates youth with the concerns that to him seem ideologically fundamental: equality, justice, fraternity. For that reason, he could not refrain from steering the discussion to the political arena:

"These positive sentiments, unfortunately, are being used politically for opposite purposes, by forces that represent the past."

These different views about what is--or is not--changing among youth reveal not only divergent political positions but also the difficulty of analyzing a phenomenon that, as acknowledged by Jose Apolinario, may be characterized especially by the lack of permanency of the new values that are emerging. Rather than the image of a single movement, as in other times, today's young people seem to embody a myriad of diverse --when not contradictory--movements and sentiments.

Differences Between Youth, Leaders

Lisbon EXPRESSO in Portuguese 25 Apr 86 p 20R

[Text] In the field of ideas and values, what separates the youth leaders of the five parliamentary parties seems to be related, on the one hand, to their own personality profile and, on the other, to a certain effort to approximate what they consider to be the preferences of youth.

To such a degree that it is indeed curious that the representatives of the two extremes of the party spectrum--Henrique Neves of Communist Youth and Manuel Monteiro of Centrist Youth--are those that showed the greatest number of ideas in common. If we take as a reference the five primary ideals of life and the five primary personal values, these two leaders have 7 replies in common out of a possible 10. Of course, "freedom," "the struggle for justice" or "a peaceful world" do not mean the same thing for both of them, but the fact that their choices coincide to such a large extent is indeed significant.

This fact is explained, perhaps, by the fact that these young party leaders pursue such values as a certain collective political responsibility, in keeping with their own militancy. This type of choice differs from the average standards of Portuguese youth, which are shown to be less altruistic--at least in words--and more individualistic. Values such as "a comfortable life," "self-realization," and "family security," which none of the young political leaders expressed, rise to the top of the list of the concerns of youth. Conversely, very few of the anonymous youth mention values such as the "struggle for justice" or "inner harmony."

This tendency sharpens when we pass to the traits most important in a person, as the only value to receive the unanimous vote of the five leaders--"openness"--ranks only fourth among the preferences of youth, with a slight edge over being "courteous," a concern to which the young political leaders gave no importance.

Qualities such as being "imaginative," "competent" or "useful," mentioned more than once in this small inquiry, were almost ignored by youth in general.

On the other hand, it is significant to note the weight of "honesty," a quality mentioned by four of the five party leaders, twice in first place, and which also heads the list in the national survey.

In regard to what each leader thought to be the preferences of Portuguese youth, those that came closest were the representatives of the communist, socialist and renewal parties, being corredt in 6 of the 10 possibilities. However, it is curious to note that whereas Henrique Neves, of Communist Youth, indicated that his own values were also those of Portuguese youth, both Joao Paulo Silva and Jose

Table 1: The Most Important Values

Population Under 25	Carlos Coelho (JSD)	Jose Apolinario (JS)	Joao Paulo Silva (PRD)	Henrique Neves (JCP)	Manuel Monteiro (JC)
IDEALS:					
Peaceful world	Happiness	Freedom	Freedom	Freedom	Peaceful world
Comfortable life	Peaceful world	Equality	Fight for justice	Peaceful world	True love
Self-realization	Inner harmony	Fight for justice	Peaceful world	Fight for justice	Freedom
Freedom	An exciting life	Peaceful world	True love	Dignity	Fight for justice
Happiness and Family security	True friendship	Happiness	Inner harmony	An exciting life	An exciting life
PERSONALITY TRAITS:					
Honesty	Honesty	Honesty	Cheerfulness	Openness	Openness
Cheerfulness	Openness	Openness	Openness	Honesty	Courage
Responsibility	Competence	Responsibility	Independence	Courage	Ambition
Openness	Imagination	Competence	Ambition	Cheerfulness	Honesty
Courtesy	Courage	Usefulness	Usefulness	Competence	Imagination

Key:

JSD: Social Democratic Youth
JS: Socialist Youth
PRD: Democratic Renewal Party
JCP: Communist Party Youth
JC: Centrist Youth

Apolinario indicated that youth in general are more individualistic than they themselves claimed to be.

Whereas Manuel Monteiro has five of the possibilities correct, Carlos Coelho, representing what is acknowledged to be the most powerful of youth organizations, missed the target entirely: only three of the ideals he cited coincided with those on the list of the ten most often mentioned by youth.

Lastly, we asked the five youth organization leaders about the same 15 phrases used in the EXPRESSO/EUROEXPANSAO survey. Their "yes" or "no" answers, which in Table 2 can be compared with the percentage of youth who agreed with them in the survey, provide an interesting comparison of the opinions of youth and of their political leaders.

Urban Youth Vote Analyzed

Lisbon EXPRESSO in Portuguese 25 Apr 86 p 21R

[Text] The small margin by which Mario Soares was elected president of the republic would have been even smaller if, on 16 February, only the youth electorate of Lisbon and Porto had voted.

In fact, Freitas do Amaral rose from about 47 percent of the vote in the municipalities of Lisbon and Porto, in the second round of the presidential elections, to 49 percent, if we include only the vote of the young people in the nation's two largest urban centers.

These figures, although they show a shift of the young electorate to the right in the political spectrum, do not, on the other hand, confirm the image that was used during the electoral campaign as to an undeniable majority support by young people for the former CDS leader's candidacy. In fact, the more enthusiastic and numerous participation by youth in the Freitas election campaign was not translated proportionately in the percentages of the youth vote. And Mario Soares even manages to retain a slight majority of the preference of the youngest voters in the Lisbon and Porto population.

The substantial vote obtained in the first round by the "Onward Portugal" campaign was an expression of the cohesion and dynamism of youth that the current president of the republic did not arouse until the second round, after having supplanted Zenha and Pintasilgo. Moreover, the involvement of many adolescents too young to vote, especially high school students who turned teaching establishments into campaign centers for Freitas do Amaral, may have led to some predictions giving the Christian Democrat candidate more crucial support from youth in the election.

The method adopted does not permit a reliable analysis of the behavior of youth in rural areas, as it becomes difficult to differentiate the youth vote from the adult electorate in sections with isolated and dispersed voting. It would be improper, moreover, to draw conclusions about the voting of rural youth by extrapolating the information obtained in Lisbon and Porto. But it can be assumed that, as the Freitas do Amaral vote was predominantly rural, there was likewise a relative predominance there of the youth vote in the center-right candidate's cause. One may

Table 2: Fifteen Revealing Phrases

Statement	Population Under 25 Years of Age (*)	Carlos Coelho (JSD)	Jose Apolinario (JS)	Joao Paulo Silva (PRD)	Henrique Neves (JCP)	Manuel Monteiro (JC)
I have attended a cocktail party or a formal dance during the last 6 months.	17	Yes	No	Yes	No	No
Religion is important for a full and happy life.	68	Yes	No	Yes	No	Yes
Achieving one's objectives is a matter of organization and work.	89	Yes	Yes	No	Yes	Yes
It is good to be competitive in work, in school and in sports.	88	Yes	No	Yes	Yes	Yes
A woman's place is in the home.	23	No	No	No	No	No
Smoking marijuana should be legalized.	14	No	No	No	No	No
From the economic viewpoint, I do not expect much improvement in the future.	48	No	No	No	No	No
I am usually busy all day.	66	Yes	Yes	Yes	Yes	Yes
To avoid conflicts, it is preferable to obey than to command.	55	No	No	No	No	No
I wish my life were not so boring and routine.	69	Yes	No	Yes	No	No
The world is changing too rapidly.	52	No	No	Yes	No	--
Despite everything, I am happy with the life I lead.	75	Yes	No	No	Yes	Yes
It is quite all right for a couple to marry without wanting to have children.	73	Yes	Yes	--	Yes	Yes
Women should have greater sexual freedom.	58	Yes	--	Yes	Yes	--
We are spending too much money on armaments.	77	Yes	--	Yes	Yes	--

(*) Percentage of "yes" answers.

[Table: Estimated Youth Voting in Second Round]

To determine the vote of the young electorate, the rosters of the 53 Lisbon parishes and the 15 Porto parishes referring to the second round of the presidential elections were consulted. The polling places in each parish in which the new voters were registered (and which in general correspond to the latest voting) were chosen. In this way--and because the new registrants consist mostly of young people who became eligible to vote at age 18 (and a small percentage of citizens who changed addresses)--partial results were obtained where the youth vote predominates and which constitute a reasonable basis for approximating the electoral behavior of urban youth.

Second Round (16 February 1986)

Municipality	Voting Segment	Mario Soares	Freitas do Amaral
Lisbon:	Total Vote	277,407 (53.2%)	244,254 (46.8%)
	Youth Vote	14,585 (51.4%)	13,780 (48.6%)
Porto:	Total Vote	115,349 (52.7%)	103,656 (47.3%)
	Youth Vote	7,735 (50.1%)	7,708 (49.9%)

thus suppose that at the national level, including the total urban and rural vote, young people are virtually evenly divided in their choices of the two political blocs that were contesting the 16 February elections.

It can be added that, in regard to the two urban centers being analyzed, Mario Soares improves his score among youth, relative to his total vote, in 5 of the 15 Porto parishes: Foz, Miragaia, S. Nicolau, Se and Vitoria. Freitas do Amaral records increases in about 30 of the 53 Lisbon parishes, notably in Ajuda, Alcantara, Alto do Pina, Benfica, Campolide, Encarnaçao, Lapa, Marvila, Prazeres, Sta. Isabel, S. Condestavel and S. Jose, among others.

What influence is this moderate shift of the young electorate to the right likely to exert in future elections? Immediately, one must not forget that the weight of the youth vote is quite diluted among about 8 million voters. But as it is probable that, for example, in the 1991 presidential elections between 500,000 and 700,000 new voters will be registered, this trend of the youth vote may become significant, although not a determining factor.

8834
CSO: 3542/98

NATION URGED TO LEARN FROM U.S.-EEC PROTECTIONIST BATTLE

Istanbul DUNYA in Turkish 3 Apr 86 p 1

[Editorial: "Protectionist Battles Among Major Economic Powers"]

[Text] The restrictions imposed by the EEC on some U.S. exports to Spain and Portugal is about to trigger an interesting conflict between major industrial nations. One aspect of the conflict that has been forcing the sides to impose trade quotas and to retaliate against each other with similar measures is the dispute over the overproduction of agricultural products. The EEC desire to protect the markets of Spain and Portugal, which recently joined the EEC, against U.S. competition and the U.S. insistence on not letting those markets to go under EEC hegemony underscore the gravity of the problem.

This dispute between the United States and the EEC, which is composed of all of Western Europe, can teach certain lessons to Turkey which has received similar blows from both sides. The attitude to be taken toward this dispute may be one of "watching the fight with gratification" or perhaps "enjoy the secret satisfaction of a feeling of revenge." However, that would only be superficial. The issue that must be understood by Turkey is that the causes of protectionism today are not simply "the caprices of large economic powers toward small powers like Turkey."

For example, the dramatic trade and economic restrictions imposed on Turkey by the two sides battling each other now are a clear indication of how sensitive both the EEC and the United States are on destinies of their economies. Turkey has been working for years to gain entry as a full member into the EEC and has established important practical and legal links with that organization. Even so, however, Turkey has been hindered by the EEC not only in textile exports but also on broader economic interests and rights gained through agreements. Turkey has not been spared a similarly damaging situation vis a vis the United States.

In the face of a growing number of measures by major Western industrialized countries to protect their economies, Turkey is trying to move in the opposite direction. As underscored by the dispute between the EEC and the United States, both sides are trying to protect their agricultural sectors, which have been weakened by overproduction, against damaging competition from the other side. They can also institute similar policies with regard to industrial products on other pretexts. This is their most natural right.

However, in the face of pressures and restrictions by the same two sides against this country, Turkey is not doing what is necessary and is instead pursuing an effort which has not produced satisfactory results. On the "advice" of free market giants like the United States and the EEC it has eliminated all types of protection for its economy opening up hunting grounds for the giants with the dream of winning a greater share of the international economic pie.

If the contradiction which has given rise to the growing protectionist battle between the United States and the EEC is evaluated correctly, one can see more clearly the traps set by recipes of "economies free of any conditions and hindrances" prepared by the developed Western countries for developing countries.

9588
CSO: 3554/34

POLITICAL PLURALISM SEEN ESSENTIAL FOR DEMOCRACY

Istanbul GUNAYDIN 15 Apr 86 p 3

["Cooking Pot" column by Necati Zincirkiran: "Normalization"]

[Text] The time has come for everyone to understand that politics cannot be controlled by the use of force and the imposition of bans. Time has been rectifying every mistake that has been made in its turn. Slow as it is, time has been eliminating injustices.

We can describe this process as "normalization." This is what is happening in Turkey today. Normalization is in a sense the lifting of the lien placed on democracy. We hope that this process is completed without harming the democracy of the Turkish Republic.

The 12 September operation saved the Turkish democracy and the Turkish state. It restored the security of life and property which was lost as a result of widespread anarchy and civil war. It put the economy back on its track and followed that up with general elections in November 1983.

Mistakes are always made in transitions from military regimes to democracy. This should be considered normal. What was not normal in Turkey was that elections were not held. The military leaders of the 12 September operation, and particularly Gen Kenan Evren, kept every promise they made and restored parliamentary democracy in Turkey before the deadline they had set for themselves. We can have nothing but words of thanks for them.

No one can claim that the Assembly created by the 1983 elections fully reflected all the political aspirations of the nation. Had that been so, today we would not have a normalization process. Obviously, some things were missing; the realization of some things were made impossible. Today those things are being realized.

The Social Democratic Populist Party of Inonu and Gurkan, the Democratic Left Party of the Ecevits, the new party to be formed by Yazar--who has parachuted into politics--and maybe a fourth party are having their own groups in the Assembly, even if unofficially.

This is a very important phase for the future of democracy. Because democracy is a pluralist system. The wider we make our political spectrum, the healthier we will be from a standpoint of democracy. Let us not be afraid, this can never hurt us.

9588
CSO: 3554/34

NDP DISSOLUTION SETS OFF INVITATIONS FOR DEFECTORS

Istanbul TERCUMAN in Turkish 15 Apr 86 pp 1,9

[Report by Ceyhan Altinyelek]

[Text] Ankara--Immediately after the accord between Mehmet Yazar and [Nationalist Democracy Party leader] Ulku Soylemezoglu to unite their forces on the right, the popularity of the Nationalist Democracy Party [NDP] and its deputies in the Assembly rose in the political arena, and an "open door policy" was initiated in politics. Officials of virtually every party indicated that the doors of their party are open to NDP deputies.

Correct Way Party [CWP] leader Husamettin Cindoruk's announcement that his party's doors are open to NDP deputies drew the comment: "He has issued invitations to NDP members he accused of being revolutionary guards only yesterday."

'Appeal to The People'

Responding to the TERCUMAN correspondent's questions on the issue, NDP leader Soylemezoglu said that they decided "to form the new alignment without insulting anyone on the right, without burning any bridges, using a soft approach and only by appealing to the people." He continued:

"For this reason we do not want to engage in a damaging duel of words with any individual or group. Because we have a national obligation before us. While executing that obligation we will walk on our path with determination no matter what is said to us. We saw in the past the disillusionment of those who sowed division and destruction. Those who did not accept our legitimacy when we previously extended our hand to unite the right have nothing to say to us today. We would like our noble people to make their own judgement about those who described us as revolutionary guards in the past and who have announced that their party's doors are open to our deputies whom they called revolutionary guards."

'Our Doors and Our Arms'

Stating that their party's "door was opened not now but a long time ago," CWP deputy leader Mehmet Golhan said: "On the issue of merging with NDP, today we are saying the same thing we were saying when we first sat at the negotiating table. The CWP's doors and arms are open to anyone who shares its beliefs and philosophy."

Stating that they have always considered NDP members close to themselves, Golhan said that his party "is acting cautiously because they are concerned that individual deputy defections into the CWP may overshadow negotiations to be held for a total merger with the NDP in accordance with Article 84 of the Constitution." He continued:

"However, today it appears that NDP leader Ulku Soylemezoglu was not sincere when he sat at the negotiating table with us. Although we proposed every possible formula to him, he persistently--or even stubbornly--proposed the merger of CWP with the NDP and did not agree to any other alternatives. That means that even then he was in contact with certain circles."

'There Are Revolutionary Guards, But Who Are They?'

When we recalled that "only two months ago your party leader described NDP members as revolutionary guards," Golhan replied:

"Yes, there were revolutionary guards among them. We do not mean all of them. An interview between Memduh Yasa and Soylemezoglu on the Provisional Article 4 of the Constitution was carried in the press. In one of his responses Soylemezoglu said: 'That will not please them upstairs.' Would you expect such a remark from a courageous and independent-minded party leader who sincerely believes in the unity of the right?"

When asked whether that means that "Soylemezoglu is the revolutionary guard," Golhan smiled and replied: "No comment."

'Not Belief But Panic'

In response to our question on "open door politics," Mehmet Yazar first said: "You see what is happening and what they are saying?" He continued:

"No one can in any way or in any manner influence the beliefs and the consciences of our valuable NDP deputy colleagues who sincerely believe in a genuine unity of the right. It is sad that those who run counter to the wishes of the people are taking attitudes without any basis of belief in their current state of panic."

Motherland Party's Doors Also Open

Responding to the TERCUMAN correspondent's questions on the same issue, Motherland Party [MP] Secretary General Alpaslan Pehlivanli said: "As the Prime Minister stated following our party's most recent executive council meeting, the MP's doors are always open to anyone who shares our principles."

Stating that he believes that "10 to 15 of the NDP deputies will defect to MP," Pehlivanli said: "We would be happy to see them among us."

'Did They Merge with the Revolution?'

On the issue of "revolutionary guards," Pehlivanli said:

"I do not think that any of our colleagues in the NDP will join those who described them as revolutionary guards only yesterday. What I do not understand is this: Is Cindoruk withdrawing his remarks on 'revolutionary guards' or is he joining hands with the revolution?"

Pehlivanli said that the unification of the right can take place only under the auspices of the MP and that any other alignment would serve no other purpose than dividing the right.

9588
CSO: 3554/29

EVREN SEEN AS SOLE DEFENDER OF 1982 CONSTITUTION

Istanbul CUMHURIYET in Turkish 15 Apr 86 pp 1,10

["The Truth Inside Events" column: "Evren's Speeches"]

[Text] President Evren spoke to a large audience at the government square in Trabzon. As always, the speech was reported on television at length and in detail. As the reporters determined and as shown on television screens, there was a large number students in the square. Schoolchildren were made to stand in the square to listen to the president.

The main headings of Mr Evren's speech were briefly as follows: 1) Poking at the presidency may cause harm. The person who has been brought to the highest office in the country must be shown respect. 2) Certain people have blamed Mr Evren for the decision to cancel a meeting regional bar associations in Bursa wanted to convene. 3) Certain circles have been persisting on rumors of torture. The aim of these rumors is to weaken the police. The president, on the other hand, has determined that since 1978 only 0.17 percent of convicted policemen have been convicted or tried for torture. 4) In addition to rumors about torture, there were also rumors of amnesty. These rumors were effective; anarchists were freed from prisons by the Execution Law. 5) There are people who are trying to change the Constitution. However, this Constitution was prepared by the Consultative Assembly and not by Evren and his colleagues. 6) Measures designed to prevent any assassination attempts against the president are normal. This is why roads where the president travels are blocked. "If they come and run into the president's car and cause an incident by blowing it up as they do in other countries will our reporter friend who complained that roads are blocked be happy?" 7) President Evren cannot be elected for a second term. That is what the Constitution says. In any case he does not want to be elected for a second term.

The president may have felt the need to make the speech we summarized above. The people are naturally entitled to gather at the government square in Trabzon and listen to his speech. But the fact that students were brought en masse to the square is not an act that can be approved.

In Mr Evren's speeches, the principle of the president's impartiality is frequently overshadowed. This is one aspect of the issue. However, we believe that the massive presence of uniformed schoolchildren in all the provinces the president has visited stems from the excessive zeal of local officials.

We believe that Mr Evren would be the first to oppose the involvement of young students in political debates. A president who defends the idea that even mature people in associations and labor unions should not participate in politics would naturally oppose the injection of politics into middle schools.

Should not governorships henceforth be more careful on this issue and should not the office of the president caution the pertinent authorities?

Meanwhile, in Rize, another stop in the president's Black Sea tour, Mr Evren made statements with regard to the 1982 Constitution. The president believes that democratic conditions were in effect at the time of the preparation and ratification of the Constitution. Stating that "the Constitution is now presented as a document whose approval was forced," the president said: "Today there is no one left to defend these [viewpoints]. I am the only one left to defend this. Articles are continually being written against it, but Consultative Assembly members cannot come out to speak in favor of it and say 'we did it this way.' Because there is no longer a Consultative Assembly."

Mr Evren expects the press to "take on the burden of defending" the 1982 Constitution and claims that currently a "one-sided machinery" is in operation.

It is true that many people who appeared to be supporters of the administration that was set up after 12 September are now elsewhere. However, even though the Consultative Assembly has been dissolved its members are still alive. The parties that were established by 12 September are in the parliament. It is amidst this crowd that the president's loneliness sadly sticks out. Who is going to defend the 1982 Constitution either for its contents or for its methods? Is it easy to defend a constitution which shuts down political parties, which suppresses union rights, which restricts freedoms, which subjugates the universities to the Higher Education Council, which holds a lien on democracy, which wipes out the political rights of former politicians and leaders, which imposes negative criteria for judicial independence and which is itself self-contradictory? How can the president expect anyone to make such a sacrifice?

It will be particularly difficult to defend the way the 1982 Constitution was submitted to a referendum. In an environment where all political parties were closed down, a one-sided and high-pressure propaganda machinery was put into effect, and the constitution was approved with a "yes" vote of 91.5 percent in a balloting system where voting "no" was prohibited. The "one-sided machinery" that Mr Evren is today complaining about was put into operation in the referendum for the 1982 Constitution.

If Mr Evren is the only one today to defend the 1982 Constitution as the president claims, then what needs to be done is the drafting of a new constitution. After all, would not the attempt to prop up a constitution which no one defends be a forced imposition?

It appears that the 1982 Constitution is on the political agenda. If the people's understanding, knowledge and expectations of democracy go beyond this constitution, then that is a good thing. Should we not be happy for that?

9588
CSO: 3554/29

SYRIAN 'MOTIVES' ON HATAY REPORTED

Istanbul HURRIYET in Turkish 15 Apr 86 pp 21,23

[Report by Celalettin Cetin]

[Text] Our southern neighbor Syria, which has been dreaming about Hatay day and night and which has never forgotten the province of Hatay, has revealed a new initiative designed to gain supporters and friends for itself. As stated in a previous HURRIYET report entitled "Watch Harran," this neighboring country provided financial assistance to some Turkish peasants in the Harran Plain who speak Arabic and no Turkish to help them buy land. Our research last week in and around Antakya revealed that this assistance has expanded to other areas. For example, in addition to children from Konya, Urfa and Diyarbakir who go to Syria to receive religious education, there are Turkish young men and women who study in Syrian universities for free and who receive a monthly salary of 270 Syrian pounds.

M.D., aN Antakya businessman who travels to Syria virtually every 15 days, stated that Syrian universities have a special quota for Turkish youths who want to study there. He added:

"My family is there. That is why I travel there frequently. I go there for business purposes. What I have noticed is that they want us to travel there freely and they want to travel here freely. They also want our young men and women to go and study in their universities. They do not charge them tuition, and they pay them a salary on the top of that. I do not know what their motive is. As far as I know there are Turkish youths studying in their universities. If a hundred or thousand more youths apply, they are going to admit them."

'Not One Person Would Want Syria'

Several Antakya intellectuals who commented on these moves by Syria--namely, financial assistance to landless peasants to help them buy land, religious education for our children in their country and quotas for Turkish youths in their universities--described them as "political and ideological investments." They said: "These are investments to win supporters."

The expected answer to this country which harbors certain mysterious motives is given by the residents of Antakya, Samandag and Reyhan. For example, Dr Alaeddin Cilli, a member of one of the oldest families in Samandag says:

"Here, there are no supporters of Hafiz al-Assad. If there are, they are very few; they would not exceed 10 percent of the population. But as residents of Samandag we do not have a single person among us who wants Syria. We are Turkish citizens. We are proud to be Turkish."

Meanwhile, Antakya Mayor Sami Oytun said that the Syrian government has nationalized thousands of donums of Turkish-owned land in Syria. He continued:

"As you know, after the integration of Hatay with the motherland some land that belonged to us remained over there and some land that belonged to them remained over here, in the Amik Plain, in accordance with the terms of the agreement. Thinking that there may be a settlement agreement in the future we rented their land to landless peasants. The money that we collected for this land, which we rented for 1,000 Turkish liras per donum per year, was deposited in a fund administered by the Ministry of Finance. The money that has accrued so far amounts to 54 million Turkish liras. In return for our good will, we learned that they have nationalized 30 percent of 272,000 donums of Turkish-owned land in Syria. Perhaps this trend will continue. But despite everything, we have taken all necessary measures to counter such tricks on their part."

Stating that problems have occasionally arisen between the two countries and that, however, no agreement has ever been reached over those problems, Oytun said: "What they want is: Let them come here freely and let our people go there freely. But this is a sensitive issue, and we do not want that."

Hatay Supposedly to Become Theirs

The issue of "travel" referred to by Mayor Oytun comes up at different levels. For example, Samandag businessman Abdulvahid Eris who takes a truly patriotic approach to the issue pointed to one of their most major motives while telling us about an incident that happened to him while he was in Syria:

"I was in Damascus 3 years ago. I parked my car in front of the government palace thinking that that would be a safe place. When I returned after touring the market I found that my car was gone. I called the police, and they said that they had towed the car outside of the city. I asked them why they did that, and they replied: 'What if it contains explosives?' To cut the story short, they eventually brought back my car but charged 1,700 Syrian pounds in fines. I went to the police headquarters to pay the fine. There, a map hanging over the police chief's desk showed Hatay as part of Syria. I speak, read and write Arabic better than most them do. So I asked the police chief why the map was that way. He replied: 'Hatay is ours; it will be ours.' I asked: 'On what basis are you saying that? Hatay is like our right eye.' He laughed and said: 'We have preparations on this issue. Furthermore, you made the agreement with the French and not with us. One way or the other it is ours. Hatay will become ours.' As our debate proceeded, the man spilled out other beans. He said that they are bringing Turkish children from Konya, Urfa and Diyarbakir to Syria to teach them religion. He said that most of them are brought from Konya. He also said that they are not charged any tuition."

Forced to Watch Syrian Television

The expanse of farmland in Samandag is mind-boggling. The production of fresh fruit and vegetables has assumed very advanced proportions in Samandag. Everyone including women, girls, the young and the old work at an indescribable pace. As a result, none of them are slaves of the landowner. All of them have at least 5 or 10 donums of land to work on.

The people of this district, which shares a coastal border with Syria, have a major problem: Because the Turkish television transmitter for the region frequently breaks down they cannot watch TRT's television programs. As a result many households are reportedly forced to watch Syrian television programs.

Last month, the Syrian Prime Minister visited our country but none of the reported "verbal" agreements reached could be put down in writing. The residents of Antakya report that the Syrian Prime Minister's singlemost problem was their shortage of water, that is their need to use the waters of our Euphrates. But these residents state that the other side of the coin is that the waters of the Asi River which flows from Syria into this region are completely cut in the summer.

The Asi River springs from Lebanon, passes through Syria and our Amik Plain and runs into the sea in the Samandag district. In response to a question on the Asi River, Antakya Mayor Oytun said:

"The Asi River is not included in our irrigation plans. Peasants in the Amik Plain sometimes use that river's waters, but that is all. The main irrigation water will come from the Tahtakopru Dam that is being built. Water to be stored at this dam, which will be completed in 1988, will also irrigate the Amik Plain. When that project is completed they can cut off the waters of the Asi River completely if they wish."

Hatay Belongs to Them on Syrian Television

Another problem in this region is related to the lands rented to the peasants. Today there are 70,000 donums of Syrian-owned land in the Amik Plain. These lands are rented out to peasants in 10-donum parcels. Some peasants complained about some of the intrigues involved in these procedures. For example, we were told about a village head who collected 5,000 Turkish liras from each of nearly 1,000 families and who split the money with the property administrator. Eventually, both were arrested (this incident was later confirmed by the authorities). Other peasants told us about pressures from regional tribes in this race of grabbing land and explained an unknown aspect of the issue:

"Among those who rent the land, there are those who are rich and those who are poor. There are even people who have made agreements with the Syrian landowners, who have become their proxies here and who have thus started managing the property as partners."

The last night we spent in the hotel in Antakya we witnessed a new move by our southern neighbor. A map obtained by a HURRIYET correspondent some time ago in Berlin showed Hatay as being within the borders of Syria. At that time, the HURRIYET correspondent showed the map to the Syrian Prime Minister in Istanbul. Some residents of Antakya who are aware of this situation made us watch Syrian television that night. We watched it and we found out that the same game is being played on television. While broadcasting the weather report the map in the background showed Hatay as being within the Syrian borders. It was quite unbelievable, but we saw the truth with our own eyes.

In conclusion, various intrigues involving land, similar to those in Harran, are also being staged in this area which is described by Antakya's mayor as a "sensitive region." But above and beyond this it is now clear that Syria has secret designs and motives with regard to Hatay.

9588
CSO: 3554/34

POLITICAL TURKEY

BRIEFS

IRAQI SHOOTING NEAR BORDER--Mardin--Iraqi units fired on aircraft which reportedly bombed Iraqi positions across from the Habur border crossing point near the Silopi district of Mardin. During the exchange, anti-aircraft shells reached the Turkish customs inspection area. In a statement on the incident, Mardin Governor Alaattin Turan said that the incident occurred at 6:00 am yesterday morning. He added: "Unidentified warplanes fired on Iraqi positions located across from the Habur border crossing point. The Iraqis responded with anti-aircraft fire. Radars could not determine whether the warplanes crossed Turkish borders because the planes were flying at low altitude. Anti-aircraft shells were later found in the customs inspection area. In our initial contacts with the Iraqi side we have not been able to obtain any information about the nationality of the warplanes. The Iraqi officials said that 'they were enemy planes and they fired.' We have also heard that in the Aktepe village of Silopi a woman was wounded in her arm. We do not know for certain whether the woman was hurt because she fell as a result of her fear of warplane noise or as a result of a stray bullet." [Text] [Istanbul CUMHURIYET in Turkish 15 Apr 86 p 9] 9588

OZAL REBUTTED ON FOREIGN RELATIONS--Former Defense and Foreign Minister Hasan Esat Isik criticized Prime Minister Turgut Ozal's remarks in New Delhi two days ago to the effect that "the Cyprus and the Aegean problems must not mortgage Turkey's foreign policy." Isik said: "Governments must be more concerned about pursuing national interests than trying to assert that the policies they are pursuing are correct." He continued: "We are not the ones who have mortgaged our foreign relations on the Aegean and Cyprus. Obviously, our foreign policy cannot consist solely of defending our rights and responsibilities in the Aegean and Cyprus. But we cannot abandon them either." Isik added: "Furthermore, the Aegean and Cyprus problems are issues that are rather related to our allies. There is absolutely no need to neglect these problems or to make concessions on these problems in order to develop our relations with countries outside the [NATO] alliance. If Prime Minister Ozal believes that we must ignore some things on the Aegean, Cyprus and Armenian issues in order to continue our defense and economic cooperation with our allies, it is impossible to share that belief. In any case, if we take that path our defense or economy will not be guaranteed; we will simply become sentries or guerrillas for others' security. There was no need for such a statement especially at a time when the UN Secretary General has put forth new proposals." [Excerpt] [Istanbul CUMHURIYET in Turkish 15 Apr 86 p 10] 9588

CSO: 3554/30

DIVISION ARTILLERY OBSERVATION BATTALION STRUCTURE ELABORATED

Herford KAMPFTRUPPEN/KAMPUNTERSTUETZUNGSTRUPPEN in German Mar 86 pp 60-62

[Article by Hisso von Selle: "The Division Observation Battalion"]

[Text] I. The Reconnaissance Possibilities of the Observation Battalion

1. Mission and Structure of the Battalion

The observation battalion of the division has different technical reconnaissance resources. With these resources, targets are detected essentially for the general firefight and information on the enemy is procured for the situation assessement.

The individual tasks:

--Target location, primarily enemy artillery,

--Reconnaissance of enemy forces in the depth, including marshaling of reserves and the approach of the following echelons (reconnaissance depth to 60 km),

--Battlefield surveillance,

--Drafting and preparation of ballistic and other weather reports.

2. The Sound-Ranging Battery

The tasks of the sound-ranging battery are

--target location against firing enemy tube artillery,

--adjusting fire of own artillery and

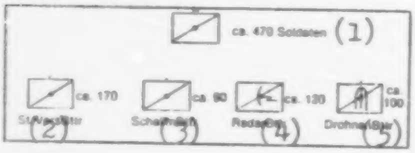
--battlefield surveillance in the area of the early warners.

This reconnaissance resource is the most important for tube artillery reconnaissance and is especially important with the enemy's superior artillery.

The battery and the sound-ranging platoon occupy four to six measuring points, one to two early warning stations and an evaluation point directly behind the VRV [forward edge of battle area]. The survey platoon must survey the measuring points accurately to within plus or minus 3 meters, that is, the preparation of the measuring field requires about 3 hours.

Position finding through sound is no longer possible when the wind speed exceeds 8 meters per second.

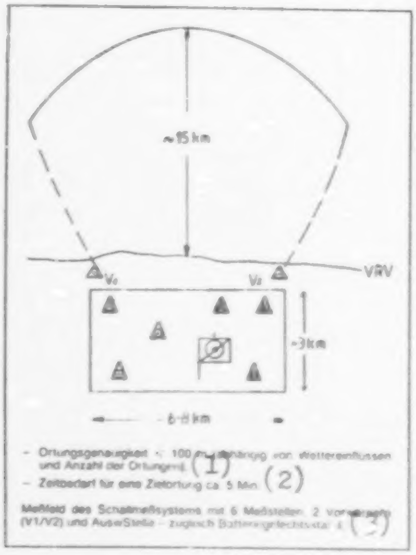
Figure 1.



Key:

1. About 470 soldiers
2. St/Vers battery
3. Sound-ranging battery
4. Radar battery
5. Drone battery

Figure 2.



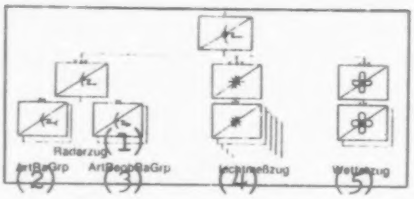
Key:

1. Detection accuracy within 100 meters (dependent upon weather factors and the number of position findings)
2. Time requirement for a target location about 5 minutes
3. Measuring field of sound-ranging system with six measuring points, two early warners (V1/V2 and evaluation point--also battery command post.

3. The Radar Battery

At the present time, the radar battery--along with the meteorological platoon--is still equipped with three different reconnaissance resources:

Figure 3.


Radarzug
(1)
ArtRaGrp
(2)
ArtBeobRaGrp
(3)
Lichtmeßzug
(4)
Wetterzug
(5)

Key:

1. Radar platoon
2. Artillery radar groups
3. Artillery surveillance radar groups
4. Flash-ranging platoon
5. Meteorological platoon

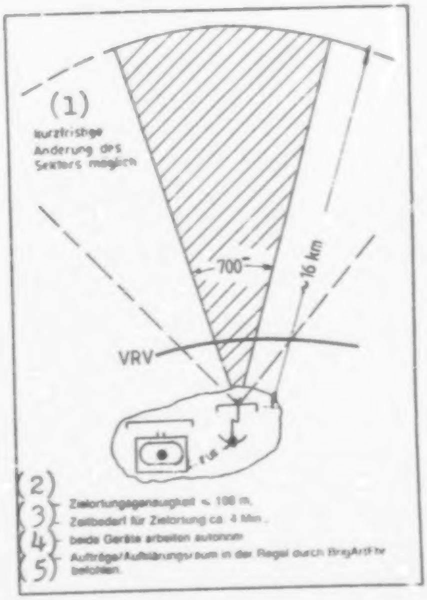
a) The artillery radar groups locate enemy firing mortars and multiple rocket launchers, to a limited extent howitzers as well. (figure upper right)

b) The artillery surveillance radar groups will belong to the surveillance battalion for only a short time. With their reorganization into the artillery structure 85 (1986/87), they will be detached to the brigade artillery battalions. They carry on battlefield surveillance, locate targets, and adjust fire. (figure bottom right)

This reconnaissance resource becomes especially significant at night and under poor visibility, where as a rule it provides the only reconnaissance results for the brigade at such a great depth.

c) The flash-ranging platoon locates enemy firing tube artillery--especially at night--and multiple rocket launchers, adjusts fire and carries on battlefield surveillance.

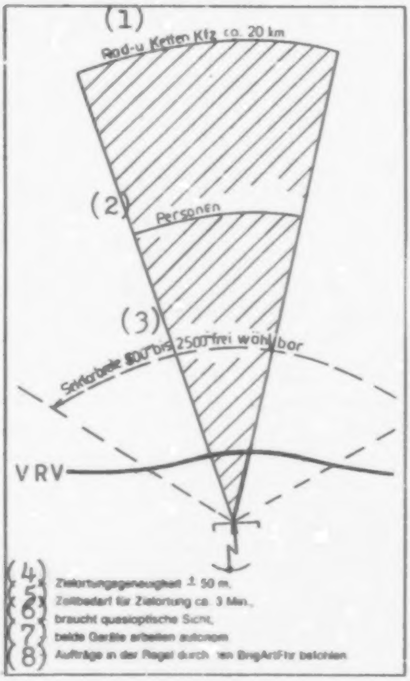
Figure 4.


(1)
kurzfristige Änderung des Sektors möglich
700⁻
~16 km
VRV
(2)
(3)
(4)
(5)
Zielortungsgenauigkeit ≈ 100 m.
Zeitbedarf für Zielortung ca. 4 Min.
beide Geräte arbeiten autonom
Aufträge/Aufklärungsraum in der Regel durch BrigArtFhr befohlen.

Key:

1. Short-term change in the sector is possible.
2. Target-location accuracy within 100 meters
3. Time requirement for target location about 4 minutes
4. Both devices work autonomously.
5. As a rule, missions/reconnaissance area ordered by brigade artillery commander.

Figure 5.


(1)
Rad-u Ketten Kfz ca. 20 km
(2)
Personen
(3)
Sektorbreite 500 bis 2500 frei wählbar
VRV
(4) Zielortungsgenauigkeit ± 50 m,
(5) Zeitbedarf für Zielortung ca. 3 Min.,
(6) braucht quasioptische Sicht,
(7) beide Geräte arbeiten autonom
(8) Aufträge in der Regel durch den BrigArtFhr befohlen

Key:

1. Wheeled and tracked vehicles about 20 kilometers
2. Persons
3. Sector width 500 to 2,500 meters freely discretionary
4. Target location accuracy within plus or minus 50 meters
5. Time requirement for target location about 3 minutes
6. Requires line-of-sight coverage
7. Both devices work autonomously
8. As a rule, missions ordered by the brigade artillery commander

For this, the platoon has five flash-ranging points, equipped with M 113 armored personnel carriers, and an evaluation point that is likewise a battery command post.

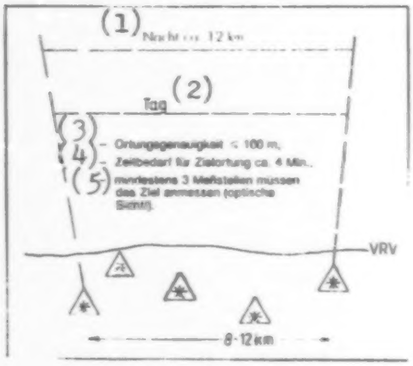
d) The meteorological platoon ascertains the necessary weather data to an altitude of about 12 kilometers for the entire firing artillery of the division, the sound ranging and the drone operations and disseminates the ballistic weather reports for this. In addition, weather data can be forwarded for the army aviators and the NBC and air defense units.

--time requirement to produce a weather report = about 30 minutes,

--period of validity = 2 hours,

--Both meteorological groups can work autonomously.

Figure 6.


(1) Nacht ca. 12 km
(2) Tag
(3) - Ortungsgenauigkeit ≤ 100 m,
(4) - Zeitbedarf für Zielortung ca. 4 Min.,
(5) mindestens 3 Meßstellen müssen das Ziel anmessen (optische Sicht!).
VRV
8-12 km

Key:

1. Night about 12 kilometers
2. Day
3. Location accuracy within 100 meters
4. Time requirement for target location about 4 minutes
5. At least 3 measuring points must measure the target (visible range!)

4. The Drone Battery CL 89

Tasks of the drone battery are:

--situation reconnaissance and target reconnaissance with aerial photographs in the area of responsibility of the division and

--target location for the artillery.

This reconnaissance resource gives the troop commander reconnaissance results in the depth, primarily marshaling activities and the approach of the following echelons. For this, there are two start groups each with one launcher and two landing forces available. Operational planning and evaluation of the films occurs in the mission control and evaluation platoon--also battery command post (see figure upper middle).

The following analyzable areas are reconnoitered with a drone flight:

At a flight altitude of 300 meters, an area of about 36 square kilometers, which doubles at a flight altitude of 600 meters.

The area is smaller when flash cartridges are used, whereas the use of infrared sensors leads to somewhat larger reconnaissance areas.

The high airspeed and the slight radar reflection render it more difficult for the enemy to locate and engage the drone. Since the missile cannot be influenced during flight--up to the approach flight--it cannot be disturbed electronically.

The drone system CL 289 to be set up beginning in 1988 in various divisions and at the corps level produces the following substantial improvements in performance:

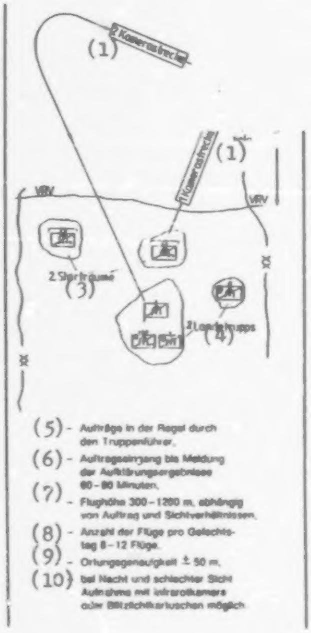
--greater penetration depth,

--image data transmission,

--improved navigation precision and

--no limitation in altitudes, curve changes and camera stretches.

Figure 7.



(1)
2 Kamerastrecke
(1)
1 Kamerastrecke
VRV
VRV
XX
XX
2 Starträume
(3)
2 Landetrupps
(4)
(5) - Aufträge in der Regel durch den Truppenführer.
(6) - Auftragseingang bis Meldung der Aufklärungsergebnisse 60-80 Minuten.
(7) - Flughöhe 300-1200 m, abhängig von Auftrag und Sichtverhältnissen.
(8) - Anzahl der Flüge pro Gefechtstag 8-12 Flüge.
(9) - Ortungsgenauigkeit ± 50 m.
(10) bei Nacht und schlechter Sicht Aufnahme mit Infrarotkamera oder Blitzlichtkartuschen möglich

Key:

1. Camera stretch
2. Reconnaissance depth to about 65 kilometers
3. Launch areas
4. Landing troops
5. As a rule, assignments by the troop commander
6. 60 to 80 minutes from receipt of assignment to the report of the reconnaissance results
7. Flight altitude 300 to 1,200 meters depending upon the mission and visibility conditions
8. Number of flights per combat day = 8 to 12
9. Location accuracy within plus or minus 50 meters

10. Photographing with an infrared camera or flash cartridges possible at night and when visibility is poor

II. Cooperation With the Combat Forces

1. Observation Artillery in the Area of the Combat Forces

The last diagram shows clearly how many elements of the observation artillery are employed in the area of the combat forces. In exercises with the entire force, commanders and company chiefs are absolutely astonished by who is "bustling about" in their combat sector--observation artillery in part in the front line.

a) Let us begin with the sound-ranging battery.

As many as six sound-ranging points are employed in a measuring field (4 km x 6 km), so that individual company commanders must accept one or two measuring points in their area.

These measuring points are located directly behind the front positions, must fulfill the most favorable conditions possible for "hearing" in selecting the position, and must--relatively time-consuming--be measured accurately to within plus or minus 3 meters. That is, in preparing the positions, a surveying group will work up to 2 hours in the area of the combat forces.

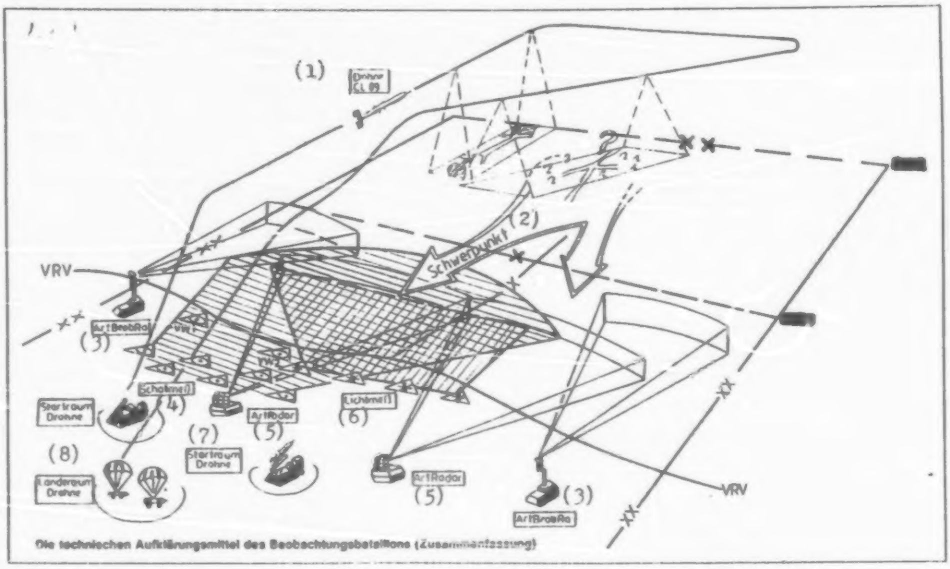
But the combat vehicle of the sound-ranging position, the "call station," can bivouac remotely in the vecinity of the measuring point, the microphone.

Even further forward--used like forward observers--are the two early warners with their two half-ton trucks. Because of the radio contact for switching on the sound-ranging system, their vehicles must bivouac in the immediately vecinity.

And finally, the battery command post--three 5-ton trucks and five smaller vehicles anyhow--is to be accomodated on the rear edge of the defense area of a line battalion.

b) Seven groups are also employed on the front line by the radar battery. The two artillery observation radar groups, just as the same equipment of the brigade artillery, are, if possible, employed on a height with a good view of enemy terrain. To be sure, the range of the equipment makes possible utilization more in the depth but still in the area of the combat forces. With its antenna tower extendable to 8 meters, this equipment can be "hidden" well in bushes or on the edge of the forest. A dismounted operation is not possible.

The flash-ranging platoon has five flash-ranging points. It is possible to employ one to three flash-ranging points in the area of a line battalion. They occupy the position as an advanced observer--mounted or dismounted--and require the corresponding observation points in the area of the combat forces. The flash-ranging points must also be surveyed (with an accuracy of plus or minus 10 meters) and that initially requires some movement in the neighborhood of the measuring point. The other elements of the radar battery are generally employed behind the defense areas of the line battalion.


(1)
Drohne CL 89
(2)
Schwerpunkt
VRV
ArtBeobRa
(3)
VW1
VW2
Schallmeß
(4)
Startraum Drohne
(7)
ArtRadar
(5)
Lichtmeß
(6)
(8)
Landeraum Drohne
Startraum Drohne
ArtRadar
(5)
(3)
ArtBeobRa
XX
XX
VRV

Die technischen Aufklärungsmittel des Beobachtungsbataillons (Zusammenfassung)

Figure 8. The Technical Reconnaissance Resources of the Observation Battalion (Summary)

Key:

1. Drone CL 89
2. Main effort
3. Artillery observation radar
4. Sound-ranging
5. Artillery radar
6. Flash-ranging
7. Drone launch area
8. Drone landing area

From the drone battery, to achieve a greater penetration depth, the drone launch area can be located in the rear part of the defense area of a battalion.

The launch area (1 km x 1 km) includes several takeoff points (= open areas of about 50 x 50 meters) that, as a rule, do not restrict the combat forces, and a service area, in which the launchers and two or three other vehicles can be bivouacked.

About 20 minutes are required from the arrival of the launcher at the takeoff point to the change of position after the drone launch, in which the launcher could be subjected to possible attacks by enemy fighter bombers or attack helicopters.

2. Coordination With the Combat Forces

The battery commanders, platoon leaders and squad leaders establish contact with the command posts of the combat forces as soon as possible. In the case of the defense type of combat, however, that will be rather late, for the observation artillery is generally employed as a body even in delay.

The purpose of this contact:

--assimilation of the operational plan of the battalion/company,

--agreement on the practical location for the observation artillery,

--exchange of communications data,

--coordination of security and supply.

The commanders of the combat forces should take enough time for this coordination and above all consider the special terrain conditions for the selection of the location of the various reconnaissance resources. Only in this way can observation artillery be used practically and achieve the reconnaissance results that make possible an engagement by the firing artillery; only in this way can it give the combat forces current information on the enemy and largely keep the enemy artillery "off their backs."

9746
CSO: 3620/683

ATLANTIC CONFRONTATION OPPOSES SOVIET, PORTUGUESE VESSELS

Lisbon EXPRESSO in Portuguese 25 Apr 86 p 1

[Text] An incident involving a Portuguese corvette and a Soviet warship occurred in the Atlantic Ocean about 2 weeks ago, EXPRESSO has learned from sources in national defense circles.

The incident happened more than a hundred miles to the west of the Portuguese continental coast, and involved a series of shots fired by the ship from the USSR over the Portuguese vessel, which was engaged in surveillance of the Soviet vessel, a routine mission in that area, where various international maritime routes intersect. As a naval general staff source admitted, the Soviets may have fired the shots as a warning in the belief that the Portuguese corvette was too close.

News of the incident was transmitted immediately by the commander of the Portuguese ship to the general headquarters of NATO (under whose jurisdiction these Atlantic surveillance missions are carried out), and at the same time to the naval general staff. No other developments ensued, however, at the scene of the incident.

Both the Portuguese military authorities and the Ministry of Defense regard the case as closed. However, they have reacted differently. In fact, while a spokesman for the navy termed the episode "routine, something which occurs rather frequently and to which no importance is attributed," a representative of the Ministry of Defense told EXPRESSO that "In the current situation of international agitation, the publicizing of this incident does not serve the national interests."

EXPRESSO has also learned that the Soviet ambassador in Lisbon presented apologies for the incident, which are reported to have been accepted. The matter was discussed yesterday by Ribeiro de Almeida and his colleague in theforeign affairs sector, Pires de Miranda.

5157
CSO:3542/97

MILITARY

PORTUGAL

ROLE, EQUIPMENT OF AIR FORCE DISCUSSED

Lisbon O DIA in Portuguese 21 Apr 86 p 6

[Article by L.J.F.]

[Excerpts] Of the three armed forces branches, the Air Force is not only that most recently created, but also that which has the least operational experience in war situations.

It could be said that the FAP was, from 1961 into the 1970s, a branch dedicated to the support of theland forces and the development of activities in war zones (establishing communications routes, transporting goods and individuals, collaborating in medical emergency work, etc.). But Portugal was also a member nation of the Atlantic Alliance, and in this connection, the FAP structure, basically located on the European continent, had additional missions as well. A squadron (10 or so) P2V5 Neptunes (obtained through Holland) were assigned to maritime reconnaissance and antisubmarine surveillance and combat, and about 50 F 86 Sabres (of the American F model or the German MK 6 version) served as a pursuit and interception group. (The Sabres, built in the 1950s, began to be used overseas, but pressure from the "anticolonial" wing of NATO forced Portugal to limit their use to the Alliance framework alone. Equipped with AIM-9B FWG Model 2 Sidewinder missiles supplied by the FRG in the 1960s, the Sabre pursuit plane was much more of an interceptor aircraft than the single attack plane needed for the type of war waged in Africa.)

Today, the obsolescence of the FAP aircraft is beginning to be noted in various sectors (basic training and helicopters, for example), even bearing in mind that various types of aircraft totaling tens of units have been withdrawn from service or replaced since 1974. (Since that year, the aircraft removed from the FAP inventory includes the Sabres, the ten or fewer old B-26 Intruder and PV-2 Harpoon bombers, the Neptunes, the many dozens of ancient T-6 Harvard training planes (which were used in Africa on combat missions), the F 84 Thunderjet pursuit planes (25-30), the DO-27s, the Noratlas and Dakota transports, etc.). This reduction in aircraft in active service led to another type of problem. While in various areas the Air Force was left without specialized aircraft (for reconnaissance, interception, antisubmarine and antitank combat), the introduction of new models proceeded slowly, making interim solutions necessary (this was the case with the C-212s which had to be used for photographic reconnaissance, the C-130s and SA-330s which doubled for maritime patrol, the G-91s and A-7Ps which carried out pursuit and interception missions, etc.). On the other hand, a number of the planes available are being cannibalized (like the FIATs) to keep operational groups airworthy.

Talk of the Future

With the change in the strategic coordinates, the operational framework of the Air Force also changed. It is being altered today to resemble the classic structure of the NATO forces more closely, but it continues to lag behind all of them (including Turkey) where equipment and modernization are concerned. Those who constantly criticize expenditures on the Air Force should reflect on this, as well as on the underutilization of the excellent potential of this branch (OGMA workshops, quality of the cadres of pilots and technicians, esprit de corps, etc.). During this week, we will discuss in detail the new complex of Air Force missions, as well as the plans drafted for reequipping and reorganizing the Air Force, remembering that the FAP is really not just a collection of airplanes, but a military corps with extensions on land, such as the parachute regiment and the air police. There are obvious consequences to this realization.

5157
CSO:3542/95

PAPER VIEWS 'PROJECT EXPORT' ALTERNATIVES IN USSR TRADE

Helsinki HUFVUDSTADSBLADET in Swedish 20 Apr 86 p 2

[Editorial by Inger Jagerhorn: "Detours in Soviet Trade"; first paragraph is HUFVUDSTADSBLADET introduction]

[Text] Various ideas for correcting the threatened imbalance in trade between Finland and the Soviet Union have been presented one after the other. Inger Jagerhorn comments on them.

The fact that careful planning can actually create problems--since, after all, not everything can be planned for--is currently exemplified by our trade with the Soviet Union.

The volume of our petroleum imports from the Soviet Union is stipulated both in the 5-year plan and in the annual trade protocol. But not the price.

Estimates concerning the development of trade vary at the moment, depending on how one thinks the price of petroleum will change. But the latest--and gloomiest--forecast comes from industry, which guesses that by the end of this year, the situation will be such that annual trade will be 5 billion markkas below the level set forth in the plan.

Exports to the Soviet Union amounting to 5 billion markkas less than planned mean a big decline. People have rushed forward from many quarters with various proposed solutions.

The latest solution was presented at the end of last week when Yuriy Piskulov, chief of Western trade in the Soviet Ministry of Foreign Trade, came up with a list of Soviet export goods that might compensate for the deficit brought on by lower oil prices. The package called for exports of Soviet aeronautical engineering, machinery, electrical installations, and natural gas.

One desire expressed on the Finnish side is to import various chemicals which Finnish industry would be happy to buy from the Soviet Union. But it does not seem altogether easy to bring about such exports, and there are two reasons. First, the production of chemicals is evidently so tightly controlled in the Soviet planned economy that a sudden increase in output is not at all simple even if demand goes up. And second, those chemicals are exported to other markets in West Europe, where they are much sought after and where the Soviet Union therefore obtains equally sought-after foreign exchange earnings.

Another idea has been to raise the credit ceiling, which currently stands at 300 million rubles and is intended to offset temporary imbalances in trade. The assumption underlying the credit ceiling is precisely that an imbalance is temporary--and as is known, fluctuations have occurred in the past but have always evened themselves out eventually, so the idea is justified.

Lastly, some Finnish firms have made the best of it and, to avoid too great a drop in their export figures, have started seeking new export routes. One such route calls for shipping their exports through some other country.

Finnish construction firms, for example, which are among the most vulnerable firms because their foreign production is concentrated so heavily in the Soviet Union, have looked into the possibility of forming joint ventures with French construction firms.

Some other firms have sought sales channels through Sweden, since exports are then recorded as being not "Finnish" but "Swedish" and are paid for by the Soviet Union in foreign exchange. These exports fall completely outside the Soviet-Finnish bilateral trade system.

Detours are therefore being used, although on a very small scale--at least so far. Is this development good or bad?

For the individual firm, it cannot be anything but good. For the Finnish economy, it means that exports are ostensibly going to a country other than the country of final destination, but the same is also true of many other exports, of course. It cannot be "unpatriotic" activity, since using such a detour means avoiding an increase in the problematical imbalance in trade between our two countries.

For the Soviet Union, this "detour trade" means that it must pay out foreign exchange for goods which might previously have been cleared in rubles against Soviet goods. But on the other hand, some of the goods would otherwise not have been exported from Finland to the Soviet Union at all, while other goods would have been imported from another Western country instead, assuming that their importation was in fact worthwhile to the Soviet Union.

A possible disadvantage is that Finnish exports by way of another country may prevent an increase in offsetting exports to Finland. But that argument does not hold up in a situation where that very increase has shown itself to be so difficult to bring about.

What we must do now is study Piskulov's list closely to see if the 5-billion-markka surplus can be trimmed by 1 or 2 billion. Quite an achievement.

11798
CSO: 3650/194

CONSTRUCTION FIRM ORGANIZATION: BIG DROP IN USSR PROJECTS

Helsinki HUFVUDSTADSBLADET in Swedish 23 Apr 86 p 12

[Article by Patricia Winckelmann-Zilliacus]

[Text] Cutbacks in project exports to the Soviet Union will be extensive this year. The Finnish Association of Building Contractors believes that the export quota will drop by as much as 30 percent.

This means that the value of exports will drop from 1.15 billion markkas to just over 720 million markkas.

The special quota that was set up for the construction of residential villages in Siberia seems headed for the same fate.

Specifically, eight major projects were to be started this year.

"Unfortunately, we are so pessimistic that we believe that only two or maybe three will materialize this year," says Timo Myllys, export manager for the Association of Building Contractors.

The projects that may have the best prospects are Wartsila's diesel engine factory, Kondrov's papermill, and perhaps the Rakvere meat processing plant. The fourth project that might get underway this year involves rehabilitation of the Hotel Metropol in Moscow.

Quota Almost Full

The big news in this year's trade exchange protocol was the special quota of 138 million rubles for the residential village in Kingisepp. It now appears that that quota will also be cut by 25 percent. Since project allotments totaling approximately 90 million rubles have already been assigned, there will not be much left in that quota.

The drop in oil prices has had a double effect on the project export industry, since the exports in question have been going to the Soviet Union or to petroleum-producing countries in the Middle East. All told, project exports totaled 2.3 billion markkas last year, including 1.3 billion markkas in exports to the Soviet Union and 650 million markkas worth of projects for Saudi Arabia and Libya.

The decline in the export industry has meant big changes as far as employment in the construction industry is concerned.

There have been major shifts from the export construction industry to domestic construction, and several thousand people have had to leave the industry in recent years.

Timo Myllys says: "During the best years--in the early 1980's--2,000 people, most of them technicians, were working in the Middle East. That figure is now down to 300."

And 4,300 people, most of them construction workers, were working in the Soviet Union in 1983. Now there are 2,500.

Uncertain Future

The stagnation in the Soviet Union is not directly affecting the rest of big industry this year. But the prospects for next year are very uncertain, since no one knows what will happen to the price of petroleum.

"If we look at our trade figures, we see that there have been big variations, depending on when orders were delivered," says Kari Ketola, who is chief of Eastern trade for Rauma-Repola.

In 1985, Rauma-Repola's exports to the Soviet Union accounted for 30 percent of the firm's turnover, but this year they will provide barely 20 percent. Rauma-Repola's turnover in 1985 totaled almost 6 billion markkas.

Kari Ketola of Rauma-Repola says: "It is true that we are also noticing the existence of a period of stagnation as far as new orders are concerned. But it is hard to say what the reason is. It is partly because of the drop in oil prices, but it may also be due to organizational reforms in the management of foreign trade in the Soviet Union."

What Rauma-Repola is very actively engaged in is efforts to increase imports from the Soviet Union. Besides its imports of energy and chemicals, Rauma-Repola is the largest importer of Soviet goods. Its imports, which amount to about 280 million markkas, are divided equally between raw materials and machinery.

"We have hired a purchasing manager for our office in Moscow. He spends all his time looking for new import goods," says Kari Ketola.

Rauma-Repola has also set up brainstorming groups among the employees in its plants. Among other things, those groups have reported on how well Soviet machinery has operated and come up with ideas concerning service and maintenance.

Kari Ketola says: "Naturally, we are aware of our responsibility when it comes to increasing imports. But we are not a trade firm. The biggest efforts to increase imports must be channeled through the trade firms."

Role of Trade Firms Increasing

The trade firms also constitute the sector hoping and believing that it can substantially increase its imports from the Soviet Union.

"Reexports would be the best way of straightening out the import figures, of course," says Klaus Katara of the Finnish Association of Technical Traders.

What this means is that the trade firms would reexport Soviet goods to third countries. But several problems are associated with reexports. The Soviet Union naturally prefers direct exports, since the country is in great need of Western currency.

According to Klaus Katara, the technical wholesale trade should be in a good position to develop imports. The firms involved certainly know their own needs, but not those of others.

Trade firms such as Kaukomarkkinat, Thomesto, Starckjohann-Telko, and Machinery, to name only the largest, have only entered the picture seriously in recent years. Those firms which have begun importing in earnest and built up contacts are now endeavoring to extend their range of import goods. The firms are systematically going through their imports to determine which Western imports could be replaced with imports from the East.

But those measures are not going to have an effect on this year's import goods and quantities. The efforts in question will only be helpful in the long term.

11798
CSO: 3650/194

LUBBERS CALLS FOR 2 BILLION MORE GUILDERS IN BUDGET CUTS

Rotterdam NRC HANDELSBLAD in Dutch 24 Apr 86 p 3

[Report by socioeconomic editorial staff: "Lubbers: 2 Billion Additional Retrenchment in Formation--CDA Asks Purchasing Power Guarantee for '87"]

[Text] The Hague, 24 April--In the cabinet formation, aside from the 9.3 billion guilders in retrenchments and extra taxes the cabinet has already agreed upon, additional steps will have to be taken for another 2 billion guilders. With those, the financing deficit does not have to rise over 8 percent in 1987. The cabinet does not want to make pronouncements on what should be done after 1987.

Those were Prime Minister Lubbers' words yesterday during the debate in the second chamber on the budget note. In it, the cabinet continues to assume that the oil price will amount to 17.5 dollars per barrel in 1986, rising to 20 dollars in 1987 and to 22.5 dollars in the following years, with a dollar exchange rate of 2.70 guilders.

Lubbers emphasized that in the planned retrenchments on social security (1.2 billion guilders) the purchasing power for both civil servants and employees in government-subsidized areas [such as health care services] will be preserved at least in 1987. CDA [Christian Democratic Appeal] parliamentary group leader De Vries submitted a motion on this point in which that purchasing power guarantee is fixed for 1987. De Vries said that with his motion he wanted to foreclose criticism on the part of the PvdA [Labor Party]. In March, during the debate on the natural gas setbacks, the PvdA parliamentary group had in vain invited the CDA to submit such a motion.

Lubbers agreed with De Vries that the planned retrenchment of 600 million guilders on public health is "frankly a high amount." But he thinks that part of it can be found in the saving which is created in material expenditures in health care, due to lower energy prices amongst other reasons. However, he did not go into the extent of this boon.

Besides the currently planned decrease in the number of civil servants and those working in government-subsidized areas (600 million guilders), it should be studied during the cabinet formation, according to Lubbers, whether the improvement of the labor conditions in this sector can be financed from a far-reaching decrease in personnel.

For the next 4 years the cabinet will stick to its premises that the financing deficit must be brought back to 5 percent in 1990 and that the pressure of taxes and premiums must not rise for civilians. But the planned increase in the BTW [value-added tax] can only be undone by an oil price higher than 60 guilders (that is equal to an oil price of 22.5 dollars per barrel and a dollar exchange rate of 2.70 guilders). And even then, it applies only to the increase in the high BTW rate and only to the extent the extra government revenues thus created allow it. A second possibility in that situation is the decrease of the wage- and income tax.

If the oil price doesn't reach the level of 60 guilders, a potential tax decrease will have to be financed from additional retrenchments. VVD [People's Party for Freedom and Democracy] parliamentary group leader Nijpels said he would then prefer a decrease of the wage- and income tax over a decrease of the BTW. He thinks that that choice should be brought up for discussion in the formation. In any event, the cabinet couples to a potential tax decrease the condition that the packet of measures for 1987 must be fully realized. Moreover one may not deviate from the planned reduction of the financing deficit to 5 percent in 1990; that is, in case there is time in the formation to discuss how this decrease should exactly take place.

CDA parliamentary group leader De Vries said he feared that the VVD is so eager to economize in order to be able to decrease taxes that shortly the people entitled to draw benefits will be the victims. The VVD denied that later in the debate. It too proved to be in support of preserving the purchasing power for the lowest incomes.

For the rest, the cabinet resists the setting by law of the temporary BTW increase. The VVD had asked for that. Minister Ruding (finance) said he was only willing to go as far as a "very firm and solid" wording in the explanatory statement with the bill which is to regulate the BTW increase. In his view, the size, time and nature of the potential decrease of the tax cannot be set in advanced.

8700
CSO: 3614/101

LABOR MEASURES CAUSE RISE IN AVERAGE WAGE SCALE

Lisbon DIARIO DE NOTICIAS in Portuguese 21 Apr 86 p 5

[Text] Collective bargaining in 1985 led to an average annual wage increase of 21.6 percent for the state sector and 20.4 percent for the private sector. This yields an average annual wage increase of 20.6 percent, according to a study by the Office Workers Trade Union Federation (FETESE).

Considering simple wage increases, not annually adjusted, the average increase was 21.9 percent, with 21.8 percent for the state business sector (SEE) and 21 percent for the private sector.

The FETESE reported that the average annual increase for contractual wages went up from 18.9 percent in 1984 to 20.6 percent in 1985.

The FETESE study shows that 89.5 percent of the documents on collective labor settlements published in 1985 were effective for a period of no more than 12 months, showing an improvement over last year.

The average effective period of bargaining agreements published last year was 12.8 months, covering an average of 12.1 months for the state business sector and 12.9 months for the private sector.

In connection with the wage demands in the bargaining in which it participated, the FETESE reported that the average increase claimed for the private sector was 27.9 percent, with 26.4 percent for the public sector, yielding an overall average of 27.7 percent.

Based on analysis of the figures published in the labor and employment bulletins of the Ministry of Labor, the FETESE reported that there were 636 labor settlement documents published in 1985, of which 420 covered negotiated settlements, 202 were extension orders and 14 were labor regulation directives.

The FETESE was involved in 103 of the collective agreements and contracts out of the 420 published.

The trade union federation emphasized that the publication of collective labor settlement documents in 1985 was up 16 percent over the preceding year.

The FETESE reported that the average duration of negotiation processes in 1985 was 103.4 days, representing an improvement over the preceding year (120 days) but also a deterioration as compared to 1982 (97 days) and 1983 (96 days).

The improvement in comparison to 1984 was due to the shorter duration of negotiations in the private sector (102.1 days in 1985), which was, however, a longer period than those reported for 1982 and 1983.

In the state business sector, an increase in the duration of negotiations was seen in 1985 (123.5 days), as compared to the 3 preceding years: 115 days for 1982, 101 for 1983 and 106 for 1984.

The FETESE reported that the duration of conciliation proceedings was 58 days in 1982, 36 in 1983, 59 in 1984 and 43 in 1985.

5157
CSO:3542/95

ECONOMIC PORTUGAL

1985 REMITTANCES FROM IMMIGRANTS SHOW INCREASE

Lisbon DIARIO DE NOTICIAS in Portuguese 24 Apr 86 p 5

[Text] In the first 11 months of 1985, Portuguese immigrants sent back remittances in the amount of 315.2 million contos, up 10.8 percent over the comparable period in 1984, according to Bank of Portugal figures.

Remittances were substantially the same in the first 11 months of 1985 as those received during 1984 as a whole, when they came to a total of 316.7 million contos.

Portuguese immigrants in the OECD countries sent back savings totaling 208.7 million contos, while the figure for those in the United States and Canada was 66.7 million contos and that for the rest of the world 29.8 million.

In the month of November, remittances totaled 30.3 million contos, more than the 25.9 million sent in that month in 1984.

5157
CSO:3542/97

ECONOMIC TURKEY

BRIEFS

JOINT USSR ECONOMIC PROTOCOL--Ankara--The Council of Ministers has approved the protocol signed at the 14 February 1986 meeting of the Turkish-Soviet Joint Economic Cooperation Commission. According to the protocol, which was published in yesterday's edition of the Official Gazette, it has been decided to complete in 1986 the previously begun contacts and work with regard to the buying and selling of goods and the acceleration of joint projects currently under way in view of the important role they will play in increasing economic and trade cooperation between Turkey and the Soviet Union. According to the protocol it has been decided to recommend that the two countries speedily complete talks on the signing of an agreement regarding the consulting and engineering services to be performed by relevant firms in connection with the construction and operation of the gas pipeline to be built in Turkey for Soviet natural gas exports to Turkey. The protocol stipulates that in accordance with the natural gas accord signed in 1984, the Soviet side will use 65 to 70 percent of its foreign exchange earnings from natural gas sales to Turkey during the first 3 years for buying Turkish export products. [Text] [Istanbul DUNYA in Turkish 15 Apr 86 pp 1,11] 9588

TRAINING COURSE GRADUATES EMPLOYED--The first graduates of the training courses developed by the Ozal government as a solution to the unemployment problem have begun working. Twenty-six young men and women will work as semi-skilled workers in various factories and will be paid the minimum wage. Stating that only 1 1/2 months ago they were unemployed, the youths expressed their happinness at having both a profession and a job and said: "We hope that more of our colleagues will take advantage of this system." The first graduates of the training courses which were organized at public training centers and which were coordinated by Minister of State Mustafa Tinaz Titiz were delivered by the Bakirkoy Public Training Center. The students completed four or five-week training courses in the Karbosan Sandpaper Factory and the Konektas, Pepsi-Cola and Fruko factories and began work in the same factories. The graduates said: "We did not believe that we could have a profession and a job in such a short span of time. But as the days passed and the official employment formalities were completed we realized that we had real jobs." Istanbul Public Training Center Director Ahmet Akyuz said that training courses are being expanded and added: "We are tailoring our courses according to the needs of the employers. The goal of these courses is to make everyone who completes the course an employed person. This week 26 young men and women completed four and five-week courses and began work. Next week 60 more graduates will begin work." [Text] [Istanbul MILLIYET in Turkish 15 Apr 86 p 3] 9588

CSO: 3554/30

'NET-BACK' OIL PURCHASE ACCORD REACHED WITH ALGERIA

Istanbul DUNYA in Turkish 3 Apr 86 pp 1,11

[Text] Ankara--A new step has been taken in the work to procure low-cost crude oil. After lengthy negotiations Turkey has persuaded Algeria on the "net-back" method of crude oil pricing.

Minister of State Kazim Oksay said in a statement that agreement has been reached with Algeria on the adoption of the "net-back" method in oil purchases from that country, similar to previous agreements reached with Iraq, Saudi Arabia and the Soviet Union. He added that the accord on the issue will be signed in the coming days.

Oksay said that this year Turkey will buy around 600,000 metric tons of crude oil from Algeria.

In the "net-back" system, the purchase price of crude oil is determined by subtracting various cost factors on the basis of the price of processed oil products in Italy. Since there is no predetermined price, the price may rise or drop depending on developments in world oil markets.

Other Countries with 'Net-back' Agreements

Before Algeria, Turkey signed "net-back" agreements with Iraq, Saudi Arabia and the Soviet Union. According to these agreements, Turkey will buy around 5 million metric tons of crude oil from Iraq, 3 million metric tons from Saudi Arabia and 500,000 metric tons from the Soviet Union. If necessary, Turkey will be able to buy additional amounts of crude oil from these countries provided the terms of the agreements are not violated.

Meanwhile, talks are continuing with Iran and Libya on "net-back" agreements. The planned importation of an estimated 8 million metric tons of crude oil from these two countries was suspended following the start of oil price declines on world markets. Iran and Libya, two radical members of OPEC, have described the fall in oil prices on world markets as a Western conspiracy and are not sympathetic to "net-back" agreements.

Observers have noted the problems of these two countries are likely to grow given the fact that no concrete decisions were taken on cutting production at OPEC's most recent meeting in mid-March and the subsequent accelerated decline in oil prices.

9588
CSO: 3554/37

TEK UNABLE TO PAY CONTRACTING FIRMS

Istanbul MILLIYET in Turkish 3 Apr 86 p 7

[Report by Zulfikar Dogan]

[Text] Ankara--It has been learned that as a result of cash flow problems TEK [Turkish Electric Power Enterprise Directorate General] is unable to pay contracting firms what it owes them and that a check issued by TEK in the amount of 500 million Turkish liras has been returned unpaid.

The Provinces Bank which has been overseeing the construction of provincial and district power grids on behalf of TEK stopped payments to contracting firms when it did not receive the necessary funds from TEK. The money owed to contracting firms by the Provinces Bank and therefore by TEK now stands at 6 billion Turkish liras.

'If TEK Does not Pay, We Cannot Pay'

Provinces Bank officials stated that in accordance with a change in the law in 1984, all electric power grid network and distribution construction projects were turned over to TEK and that as a result the Energy Department of the Provinces Bank will be incorporated in TEK.

Provinces Bank Deputy Director General Nihat Bas said that while the necessary arrangements are being made, his bank has overseen the construction of 88 projects in 1984 and 93 projects in 1985 and that construction activities are still continuing. He added:

"From now TEK will oversee the contracts and the construction of projects. We handled these contracts on behalf of TEK. TEK must transfer funds to us so that we can pay the contractors. If we do not get any money from them we cannot make any payments. They were supposed to pay us on Tuesday, but they did not. I am hoping that they will pay us on Thursday. Then we can disburse some money to the contractors."

It has been learned that a TEK check in the amount of 500 million Turkish liras sent to the Provinces Bank for disbursement to the contractors was returned unpaid last Friday and that as a result no payments could be made to the contracting firms.

A TEK official said that his organization has been working to deposit the necessary funds in the bank to cover its check and that, however, this had not been done as of Tuesday. He said: "I believe that we will be able to make up this money by the end of this week the latest. If we transfer the money to the bank, the Provinces Bank can pay the contractors on Thursday or Friday. This problem is not confined to TEK alone. Virtually all government agencies are having difficulties in paying their contractors."

'Is the Government Trying to Sink Us?'

Owners and managers of contracting firms working on the installation electric power grids complained that only 10 percent of their accounts receivable has been paid and that they waited for months even for that.

Expressing their views on the issue, the contractors said that TEK is undergoing unprecedented difficulties. They continued: "There has been a major bottleneck for the last month. The amounts owed to us have assumed enormous proportions. Last week we were told that some payments will be made. But TEK's check was returned unpaid. No funds could be transferred to the bank. As the amount of our accounts receivable grows, payments become even more difficult. Under these conditions we will have to abandon the work. Is the government trying to sink the contractors working for it?"

Meanwhile, Minister of Energy and Natural Resources Sudi Turel has sent a memorandum to municipalities asking them to pay their accumulated electricity bills.

In his memorandum, Turel states that those municipalities which pay their unpaid electricity bills for 1985 by 20 July 1986 to the TEK distribution centers from which they buy their electricity will not be charged the late penalty fees that have been added to their bills.

Turel says in his memorandum:

"Municipalities which do not pay their bills by 20 July 1986 or those which do not reach an agreement on a payment schedule will have their power disconnected. Their accounts payable plus the late penalty fees will then be deducted from their accounts receivable from the Provinces Bank, the Treasury and other agencies, and, furthermore, legal measures will be initiated."

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END

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ERRATUM: This report republished
to provide correct cover.

West Europe Report

FBIS FOREIGN BROADCAST INFORMATION SERVICE

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POLITICAL DENMARK

FAEROES' GOVERNMENT LEADER ATLI DAM ON ISLANDS' PROBLEMS

Austerity Prerequisite for Recovery

Copenhagen AKTUELT in Danish 22 Apr 86 pp 10-11

[Op Ed Article by Atli Dam: "Faeroes Today"]

[Text] The major exhibition "The Faeroe Islands in Focus" opens today. This article offers a current political and economic picture of the islands presented by the islands' leader.

The current week is under the sign of the Faeroe Islands.

"The Faeroe Islands in Focus" has set all sails for dominating the week's news and in that manner making the Faeroes more visible to people in Denmark.

Inattention to providing information about the last 30 years' radical process of change on the Faeroes has left many in Denmark with outdated notions of the Faeroe Islands and a weak impression of the Faeroes on the public conscience.

Positive forces in Denmark and on the Faeroe Islands want to change this and by means of words, pictures and sound, will attempt to present a nuance-full and accurate picture of the Faeroes in the year 1986.

Not a pretty picture of a conflict-free and static and tradition-bound society, but rather, of a modern society which for good and bad is dominated by rapid changes with all the steps forward, problems and contraditions which change brings with it.

The Faeroe Islands have both old and new--which is good--and which we want to show off because we believe that there is interest in this outside of our own islands. But the Faeroe Islands are in many ways a mini-model of other modern societies where the objective is not to hide the side effects of technological progress or the price of a welfare state.

For 600 years, Denmark and the Faeroe Islands were a constitutional unit. A unit which took on a new dimension in 1948 with the plan for independence--the home rule plan.

The intentions were that the Faeroe people should make decisions independently concerning their own situation and the plan thereby accommodated a desire among the inhabitants of the islands to create a society on their own premises.

The home rule law therefore must have seemed visionary at a time which was dominated by nationalistic narrow-mindedness, since it created a coexistence which made it possible for completely different types of people to make their own decisions and work together on an equal footing to solve practical endeavors for the common benefit.

It is not immodest to call the home rule law a Social Democratic invention, and the Faeroe Island Social Democratic Party, together with other parties, during the past 40 years have strengthened the arrangement by passing laws through the independent Faeroe Island parliament, "Lagtinget," thereby setting the parameters for progressive development in the modern welfare society.

The real test of the home rule arrangement's utility is the flexibility which makes possible the passing of new rules within the framework of the law in order to accommodate the fact that the world and the Faeroe society are on the move.

The arrangement has lived up to these expectations in a way which has enabled the Faeroe Islanders to have authority in a large number of areas which extend beyond the letter of the law and which involve various accepted customs, for example, that the Faeroe Islanders themselves will negotiate fishing agreements with other countries--with assistance from the foreign ministry when it is needed--but with an actual Faeroe Island decision-making authority.

In other areas, the anticipated trend toward complete Faeroe Island takeover of administrative and economic responsibilities has not been implemented, but the arrangement has been able to accommodate these developments as well.

Denmark and the Faeroes can be proud that an innovation in international relations throughout the years has awakened notice among human rights groups, and in certain cases, has inspired others. There are those who believe that the arrangement in many areas provides greater real self-determination rights to the parties--especially the Faeroe Islanders--than the creation of two sovereign countries would have done.

Today, there are two real challenges in the Danish/Faeroes relationship which will demonstrate whether the parties still are able to find fruitful solutions.

The first is a reform of government subsidies to various societal endeavors of the Faeroe Islands, where percentage refunds of specific expenses are seen as being replaced by a weakened form of block grants. The second is the issue of negotiating a Faeroe Island constitution which will define clearly the decision-making authority concerning the pace of development in possible exploration and extraction of raw materials in the Faeroe Island underground and sea bottom.

The negotiations are only in their incipient stage. One therefore should not anticipate the circumstances with inflexible positions if just to emphasize that it is unavoidably necessary for the partners in the joint venture to find solutions which the parties can live with and solutions which will benefit all legitimate interests.

The Faeroe Islands are lacking in resources and therefore want controlling influence over their development.

With regard to the living resources which the sea can provide--fish, whales, birds, shellfish, etcetera--the Faeroes have found it necessary to develop a comprehensive expertise in the art of catching, preparing and marketing of the goods which are produced from these resources.

Even with the most extreme efforts toward diversification, there are limits, however, to how many threads can be spun in the overall Faeroe Island economy and economic management.

These are and will be very sensitive to competition and the demand for continued adjustments will remain strong since the various peaks in the competitive waves rarely remain up long enough to yield normal deductions to the business community, and since all industries are fish-related--with agriculture representing a very little degree of self-sufficiency--the Faeroe Island economy is strongly influenced by the economic dips which on the average last as long as the peaks.

Within the last 10 years, we have confronted two oil crises along with a total turnabout in the law of the sea, with the loss of our opportunities for choosing fields of operation.

Following the changes in 1977 with expanded fishing boundaries, the Faeroe Islanders--who previously had had the entire north Atlantic from the east coast of the United States to Novaja Semlja as their working territory--were suddenly required to pull in their boundaries to 200 nautical miles. While we experienced dramatic reductions in foreign fishing within Faeroe Island navigable waters, the change from distant fishing to coastal fishing caused serious structural problems within the fishing fleet, with a correspondingly large need for capital.

Even though the current "Faeroe Islands in Focus" exhibition is focused on creating greater awareness of the Faeroes, it cannot be said that it has given short shrift to a discussion of the Faeroe Island economy in recent years. As has been mentioned above, circumstances have created strong demand for capital and this in turn has brought with it an explosive growth in the Faeroe Islands' foreign debt and a lack of balance between this and overall productivity.

The problem is significantly more differentiated than as is presented in reports and through the media. The accuracy of the figures and statistics--which we ourselves put out--cannot be questioned any more than there is a basis for fighting too much about the need for a serious tightening of the belts, but the interpretations of the figures can be a bit more subtle.

The balance of payment deficit is caused, for example, not by increasing consumption but by a very high rate of investment--which again is viewed as being necessary if we are to have any possibility for producing our way out of the balance of payment problem. There is not a shadow of a chance for managing these cutback and savings-politics alone. Only a combination of strict policies concerning private and public consumption, and an expansive investment policy for developing resources and additional processing of them, with related sales efforts, can bring about the revitalization.

Another interesting aspect of the Faeroe Island economy is that there is not a budget deficit and therefore no domestic national debt, along with very large debt-free real values in the private sector, particularly in the housing area.

A third feature is that resources are not being used for direct unemployment compensation--all measures directed toward solving unemployment are directed through investments in new jobs. This policy is implemented hand in hand with the trade union movement which does not have the same ties to political parties as in the other Scandinavian countries.

Because of the foregoing, the public sector--paradoxically enough in a capitalistic society--has a strong and direct involvement and joint ownership in the business community.

Even without the traditional partnership between the trade unions and the Social Democrats, Faeroe Island workers have succeeded in obtaining working conditions which correspond to the other Scandinavian workers as far as concerns work hours, wages, work environment laws and vacation terms, as well as worker protection, sick pay arrangements, and so on.

The good cooperation between the Faeroe Island and Danish labor movements also has played a role in this.

In addition to the traditional division between socialistic and non-socialistic parties, Faeroe Island politics have an additional dimension, created out of the national issues and attitudes concerning cooperation within the commonwealth. Irrespective of which dividing line one chooses, there are two equally large blocs, but it is not the same parties which fall into each bloc when one changes dimensions.

The self rule law therefore means in practice that the Faeroe Islands can be governed by a majority coalition only--minority governments are unknown and election periods are very stabile at four-years duration.

Even with the limited number of people--about 45,000--who populate the Faeroes, the parliamentary and governing attitudes include by and large the same number of problems and problem areas as in a larger society. To govern the Faeroe Islands therefore is an interesting undertaking, where we struggle to maintain cultural and historical values and ways of life, while at the same time wanting to create our own version of a modern society in a time where our own radio and television media daily circulate news of the rapid changes which mark the world around us.

Danes Ignorant of Problems

Copenhagen INFORMATION in Danish 23 Apr 86 p 1

[Editorial: "'Faeroe Islands in Focus'"]

[Text] Nearly year-round, firms and branches are attempting to draw attention to themselves and seek free advertising through arranging large exhibitions in suitably equipped localities, of which Copenhagen is reputed to be among the best in Scandinavia. As a rule, it is not something of which we take great notice at INFORMATION. Normally that type activity is extremely uninteresting and has a pronounced commercial perspective. Nonetheless, the public must pay an entrance fee in order to come in and touch the goods.

The arrangement "Faeroe Islands in Focus," which is running this week in the Forum in Copenhagen with related sports and cultural activities over most of the country, is however, a notable exception which confirms the rule. This exhibition does not involve goods for us to buy. Rather, it involves a little society which has spent more than a million kroner in order to be taken seriously and to win our respect and understanding.

The premise underlying "Faeroe Islands in Focus" is a fact which undoubtedly is correct--that most Danes know surprisingly little about the Faeroe Islands. Surprisingly, since our two parts of the commonwealth have been united for more than 600 years since the time when Danish colonial forces attempted by hard handed methods to coerce the Faeroe Islanders to accept our values. Only in the most recent 35-40 years has there been any mutual reciprocity. And reciprocity has its obligations, as is known.

But whereas the Faeroe Islanders know everything about Denmark and speak our language, the Faeroe Islands have been forgotten nearly totally by the Danish public. In the Danish media, the North Atlantic island society, for many years, has stood in the shadow of the imposing and significantly more conflict-ridden Greenland.

The lack of information--which also is due to the Faeroe Islanders' insistence on isolation--has resulted in many Danes having an outdated impression of the Faeroe Islanders as some poor, peculiar creatures who go around in big wool sweaters and eat half-rotten mutton when they are not out busy fishing. The little which is said and written about the modern day Faeroe Islands is negative as a rule: their over-fishing, continued killing of "innocent" pilot whales, their deeply-indebted economy and peculiar alcohol policies. Small bits of truth which certainly can stand being a bit more nuanced.

The Faeroe Islands definitely are much more. They are an example for many small and large societies of how effectively one can utilize human resources if a population is geared to a high degree of flexibility. Without the limits of restrictive trade societies' boundaries and carefully measured occupational training conditions, they get going when there is the need for a hand.

Despite the country's smallness, the Faeroe Islanders have been able to preserve and develop their own national art and unique language. Literature and art flourish, newspapers of all possible political orientations fight with each other. There is an extensive social life, radio and television along with a business community which can do other things and more than deal in fish. The Faeroe Islanders have so much to give that in such distant areas of the world as Senegal and India, they provide foreign aid to the local people through development of their fishing technology.

It is this more multi-faceted and accurate picture of the Faeroe Islands' mini-model of a welfare state in the year 1986 which is being attempted to be presented to us Danes. Not an idealistic picture of a static, non-controversial and tradition-bound society. Beyond the fields of green grass, there is hard work on joining in the future in technological development, and they do not escape the conflicts which also mark the larger societies.

One can ask--and many Faeroe Islanders have done so--why it should be so important to change the Danes' view of the Faeroe Islands. With respect to export interests, the Faeroe Islanders ought to have their sights set more toward West Germany, the United States and Great Britain.

We should take it as a compliment and evidence of the fact that the commonwealth cannot be held together only by small bundles of money decorated with big words and toasts. There are genuine familiar ties which unite us. And nowhere else can one find such unspoiled faith in the importance of Nordic cooperation as in the Faeroe Islands.

If the Faeroe Islanders wanted, they certainly could exist without being tied to Denmark. But there is not a majority in favor of breaking loose the ties. According to the supporters of the commonwealth, the home rule law of 1948 provides the Faeroe Islands with the maximum desired opportunity for self-determination. As is known, the Faeroe Islands were allowed to choose to remain outside of the Common Market and to pursue, by and large, their own fishing negotiations.

Denmark and the Danes should take the outstretched hand. Not out of duty or politeness, but because we have something to learn.

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POLITICAL FEDERAL REPUBLIC OF GERMANY

POLL SHOWS EFFECTS OF CHERNOBYL ACCIDENT ON PUBLIC OPINION

Hamburg DER SPIEGEL in German 12 May 86 pp 28-32

[Unattributed article: "A New Majority for Getting Out of the Nuclear Energy Industry; DER SPIEGEL Polls the Germans regarding Chernobyl"]

[Text] The reactor accident at Chernobyl has changed the political climate in the FRG more drastically and quickly than any other occurrence since the end of World War II.

This is indicated by a poll that was carried out for DER SPIEGEL by the Emnid Institut of Bielefeld, in which 1,000 men and women were interviewed from Tuesday through Thursday of last week. Nothing has ever been seen that was like the change in public opinion regarding the use of nuclear energy that took place within a few days. A majority of people advocating the construction of more power plants that has remained stable for many years has now become a minority, with the former figure of 52 percent of the population having sunk to 29 percent. Thus a minority opposing the building of additional reactors has become a majority of two thirds. The present-day slogan in the FRG is: "More nuclear energy?--no, thanks!"

A majority that is not all that big goes even farther and speaks in favor of getting out of the nuclear energy industry. Twelve out of every 100 opponents of the construction of additional power plants want the existing installations closed down immediately and 54 out of every 100 want them closed down "after a period of transition."

Neither the building of the Berlin Wall, the Cuban crisis nor the oil crisis disturbed the citizens of the FRG as much as the catastrophe in the Ukraine. All other current occurrences fade into insignificance by comparison with this big nuclear reactor accident, which "concerns" more than 85 percent of the citizens of the FRG "particularly intensively." Only 9 said that of the international economic summit meeting, 14 said it of the story regarding the national prison in Celle, and even where the attack on Libya by the United States was concerned, only 43 percent said it.

And not merely a concerned minority, but almost a two-thirds majority changed their shopping and living habits (see graphics) in accordance with the warnings regarding milk and spinach, rain and sand.

For the first time since the change of government took place in the fall of 1982, Emnid reported a red-Green majority in its Sunday poll. The SPD cannot be very happy about that majority, as a comparison with a survey in mid-April will show. It remained at 43 percent, and, since the CDU/CSU moved up from 43 to 44 percent, the distance between the two big parties even increased. Therefore the majority for the opposition only came into being because the Greens increased their share of the total from 8 to 9 percent and because the FDP lost 2 percent and now has 5 percent of the total.

The views of West Germans as to who is going to win the Bundestag election in January 1987 have changed a great deal more sharply. In February only 36 percent of those responding still considered a red-Green majority to be "certain" or "probable" and now 53 percent hold that view.

The SPIEGEL poll marks the beginning of a controversy that the chancellor of the FRG believes to be unavoidable. Mr. Kohl says, "We are going to have a gigantic discussion of the purpose of nuclear energy and how much sense it makes."

In fact, it is already certain now that the Bundestag election campaign will feature a new, big theme prominently--namely, how the West Germans should deal with nuclear power.

And in regard to the question as to who benefits from and who is damaged by such a controversy, the West Germans are in agreement almost independently of their individual political sympathies: A total of 59 percent of the citizens of the FRG believe that it will be beneficial to the Greens. Those who vote for the CDU/CSU, the SPD and the FDP agree with that prognosis; Emnid reported that 61, 65 and 66 percent, respectively, of those groups of voters held that opinion.

On the other hand, a total of 61 percent of the citizens of the FRG and 60 percent of the Union supporters are convinced that the CDU/CSU is in danger of being damaged.

The answers to the questions put by Emnid indicate that most West German citizens, by far, are not allowing themselves to be led by their emotions into the adoption of transient opinions and that they have been free of panic and hysteria in forming those opinions.

For example, when the 1,000 men and women were called upon to express their views as to whether a similar big nuclear reactor accident such as the one that took place in the Soviet Union could also occur in the FRG, only minorities declared the danger to be "just as great" or almost nonexistent. Most people chose to give more finely differentiated answers ("not as great" or "far less").

How strong the battalions are with which the political parties will move into the controversy regarding nuclear energy can be measured by the Emnid survey's figures.

Aside from the FDP, which has had hardly anything to say on this theme, the parties that are represented in the Bundestag have already laid out the courses they will follow.

In particular, the head of the chancellor's office, Wolfgang Schaeuble, and the head of the government of Lower Saxony, Ernst Albrecht, have spoken in favor of further expansion of nuclear energy. If Bonn alone could decide, breeders in Kalkar on the lower Rhine would enter the network before this year is over and the Wackersdorf reconditioning plant in Bavaria would be built, according to "Speedy" Schaeuble.

The leading SPD politicians, from Chairman Brandt and Candidate Rau to the State chiefs Lafontaine and Boerner, have spoken in recent days against the construction of additional power plants and for getting out of the nuclear energy industry after a transitional period, as was decided by the party's executive body shortly before the Chernobyl catastrophe.

If both parties hold to their courses, Kalkar and Wackersdorf will become central themes in the election campaign. The functionaries of the Greens, who are at odds with each other on almost all other questions, appear to be united. They demand that all nuclear power plants be shut down immediately. The SPD has the most insignificant problems and the CDU/CSU has the biggest ones. Most SPD supporters--like their party--approve withdrawal from the nuclear energy industry, while most CDU/CSU constituents--unlike their party--are against the construction of new power plants. Furthermore, opinion is divided among CDU/CSU supporters as to whether the existing power plants should remain in operation permanently or only during a transitional period.

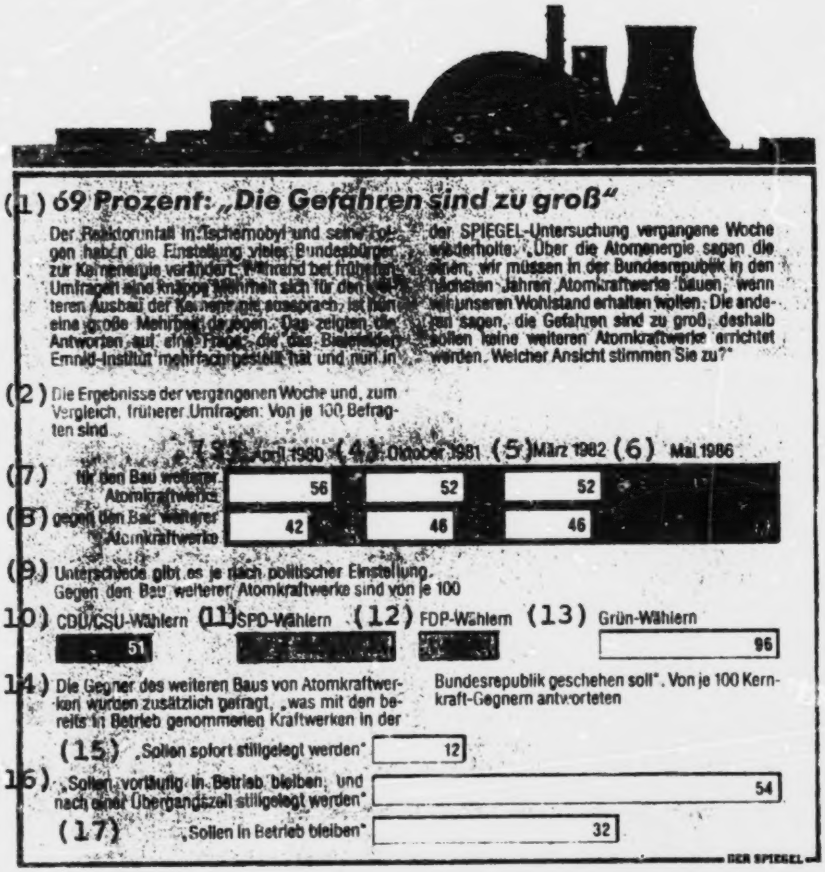
On their course of total opposition, the Greens definitely cannot be as sure of their supporters as is generally assumed. Indeed, almost all of them are opposed to the building of additional power plants, but a gradual withdrawal is more popular among Green constituents than the immediate shutting down of all reactors.

All views favoring and opposing nuclear power will be subjected to a testing of their unyieldingness in the coming election campaign. However that turns out, the shock of the days when the news regarding the Chernobyl catastrophe became known was felt deeply. After one has had the experience of being threatened by a danger that cannot be perceived by any of the five senses, nothing will ever be quite the same again.

Formerly, it often happened that Emnid and other institutes sometimes reported a majority for and sometimes reported a majority against new nuclear power plants to their employers. That depended upon how the question was put. That is, it depended upon whether it was put in quite general terms or whether people were asked, in specific terms, if they would agree to the construction of a reactor "in the vicinity of their own homes."

Now, after the radioactive rays have been blown in front of their own front doors from Chernobyl, which is 1,300 kilometers away, most Germans will not make any distinction no matter how the question is put.

Table 1.



(1) 69 Prozent: „Die Gefahren sind zu groß"

Der Reaktorunfall in Tschernobyl und seine Folgen haben die Einstellung vieler Bundesbürger zur Kernenergie verändert. Während bei früheren Umfragen eine knappe Mehrheit sich für den weiteren Ausbau der Kernenergie aussprach, ist nun eine große Mehrheit dagegen. Das zeigten die Antworten auf eine Frage, die das Bielefelder Emnid-Institut mehrfach gestellt hat und nun in der SPIEGEL-Untersuchung vergangene Woche wiederholte: „Über die Atomenergie sagen die einen, wir müssen in der Bundesrepublik in den nächsten Jahren Atomkraftwerke bauen, wenn wir unseren Wohlstand erhalten wollen. Die anderen sagen, die Gefahren sind zu groß, deshalb sollen keine weiteren Atomkraftwerke errichtet werden. Welcher Ansicht stimmen Sie zu?"

(2) Die Ergebnisse der vergangenen Woche und, zum Vergleich, früherer Umfragen: Von je 100 Befragten sind

	(3) April 1980	(4) Oktober 1981	(5) März 1982	(6) Mai 1986
(7) für den Bau weiterer Atomkraftwerke	56	52	52	[illegible]
(8) gegen den Bau weiterer Atomkraftwerke	42	46	46	[illegible]

(9) Unterschiede gibt es je nach politischer Einstellung. Gegen den Bau weiterer Atomkraftwerke sind von je 100

(10) CDU/CSU-Wählern	(11) SPD-Wählern	(12) FDP-Wählern	(13) Grün-Wählern
51	[illegible]	[illegible]	96

(14) Die Gegner des weiteren Baus von Atomkraftwerken wurden zusätzlich gefragt, „was mit den bereits in Betrieb genommenen Kraftwerken in der Bundesrepublik geschehen soll". Von je 100 Kernkraft-Gegnern antworteten

(15) „Sollen sofort stillgelegt werden"	12
(16) „Sollen vorläufig in Betrieb bleiben und nach einer Übergangszeit stillgelegt werden"	54
(17) „Sollen in Betrieb bleiben"	32

DER SPIEGEL

Key:

(1) 69 Percent: "The Danger Is Too Great"
The reactor accident in Chernobyl and its consequences have changed the attitudes of many citizens of the FRG toward nuclear energy. Whereas in former polls a bare majority declared itself in favor of futher expansion of nuclear energy, a large majority is against it now. That was indicated by the answers to a question that the Emnid Institute in Bielefeld has asked many times and repeated now in the SPIEGEL poll of last week. That question is: "Some say, in regard to nuclear energy, that we in the FRG must build nuclear power plants during the coming years if we want to maintain our prosperity. Others say that the danger is too great, and therefore no additional nuclear power plants should be built. Which view do you agree with?"

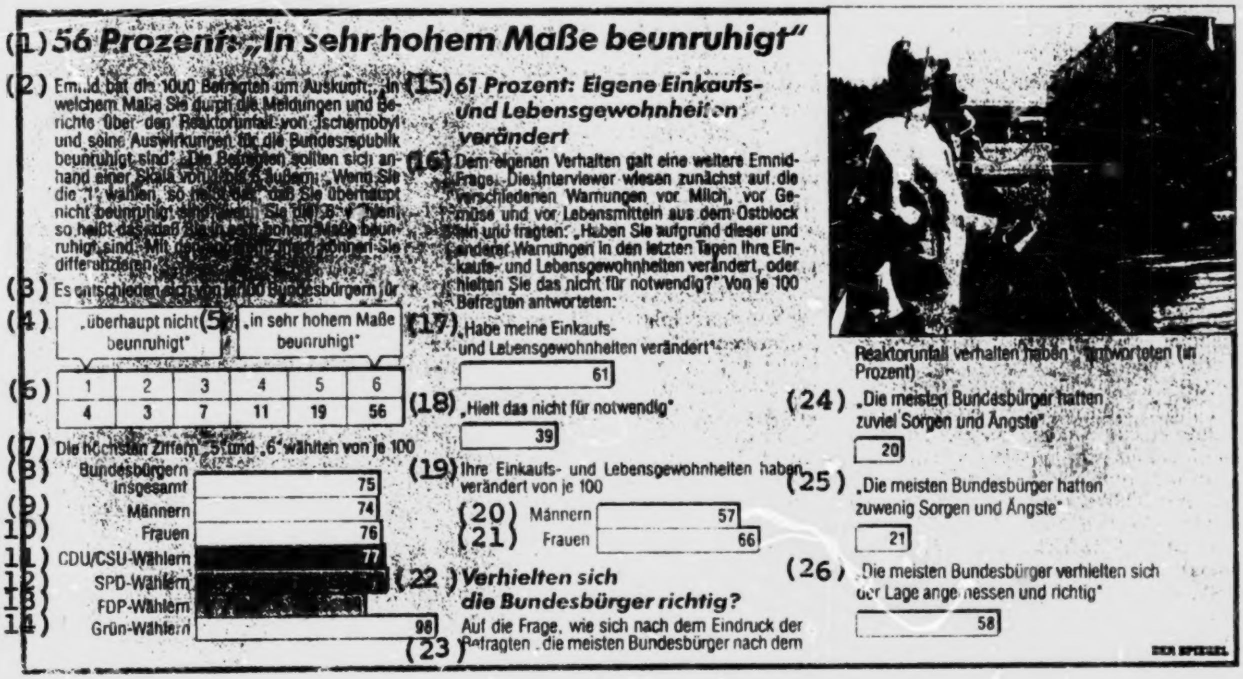
(2) The results, per 100 persons questioned, in the poll of last week and, for the sake of comparison, in other polls, were:

(3) April 1980

(4) October 1981

(5) March 1982
(6) May 1986
(7) For the building of additional nuclear power plants.
(8) Against the building of additional nuclear power plants.
(9) There are differences according to one's political point of view. Per 100 persons questioned, the following percentages opposed the building of additional nuclear power plants.
(10) CDU/CSU constituents
(11) SPD constituents
(12) FDP constituents
(13) Green constituents
(14) Those opposing the building of additional nuclear power plants were asked the following supplementary question: "What should be done with the power plants in the FRG that are already in operation?" The following were the answers, by percentage, of those opposing nuclear power.
(15) "Should be shut down immediately"
(16) "Should continue in operation for the time being and should be shut down after a transitional period"
(17) "Should continue in operation"

Table 2



(1) **56 Prozent: „In sehr hohem Maße beunruhigt"**

(2) Emnid bat die 1000 Befragten um Auskunft, „in welchem Maße Sie durch die Meldungen und Berichte über den Reaktorunfall von Tschernobyl und seine Auswirkungen für die Bundesrepublik beunruhigt sind". Die Befragten sollten sich anhand einer Skala von 1 bis 6 äußern: „Wenn Sie die '1' wählen, so heißt das, daß Sie überhaupt nicht beunruhigt sind; wenn Sie die '6' wählen, so heißt das, daß Sie in sehr hohem Maße beunruhigt sind. Mit [illegible] können Sie differenzieren [illegible]

(3) Es entschieden sich von je 100 Bundesbürgern für

(4) „überhaupt nicht beunruhigt" (5) „in sehr hohem Maße beunruhigt"

(6)

1	2	3	4	5	6
4	3	7	11	19	56

(7) Die höchsten Ziffern „5" und „6" wählten von je 100

(8) Bundesbürgern insgesamt	75
(9) Männern	74
(10) Frauen	76
(11) CDU/CSU-Wählern	77
(12) SPD-Wählern	[illegible]
(13) FDP-Wählern	[illegible]
(14) Grün-Wählern	98

(15) **61 Prozent: Eigene Einkaufs- und Lebensgewohnheiten verändert**

(16) Dem eigenen Verhalten galt eine weitere Emnid-Frage. Die Interviewer wiesen zunächst auf die verschiedenen Warnungen vor Milch, vor Gemüse und vor Lebensmitteln aus dem Ostblock hin und fragten: „Haben Sie aufgrund dieser und anderer Warnungen in den letzten Tagen Ihre Einkaufs- und Lebensgewohnheiten verändert, oder hielten Sie das nicht für notwendig?" Von je 100 Befragten antworteten:

(17) „Habe meine Einkaufs- und Lebensgewohnheiten verändert"

61

(18) „Hielt das nicht für notwendig"

39

(19) Ihre Einkaufs- und Lebensgewohnheiten haben verändert von je 100

(20) Männern	57
(21) Frauen	66

(22) **Verhielten sich die Bundesbürger richtig?**

(23) Auf die Frage, wie sich nach dem Eindruck der Befragten „die meisten Bundesbürger nach dem Reaktorunfall verhalten haben", antworteten (in Prozent)

(24) „Die meisten Bundesbürger hatten zuviel Sorgen und Ängste"

20

(25) „Die meisten Bundesbürger hatten zuwenig Sorgen und Ängste"

21

(26) „Die meisten Bundesbürger verhielten sich der Lage angemessen und richtig"

58

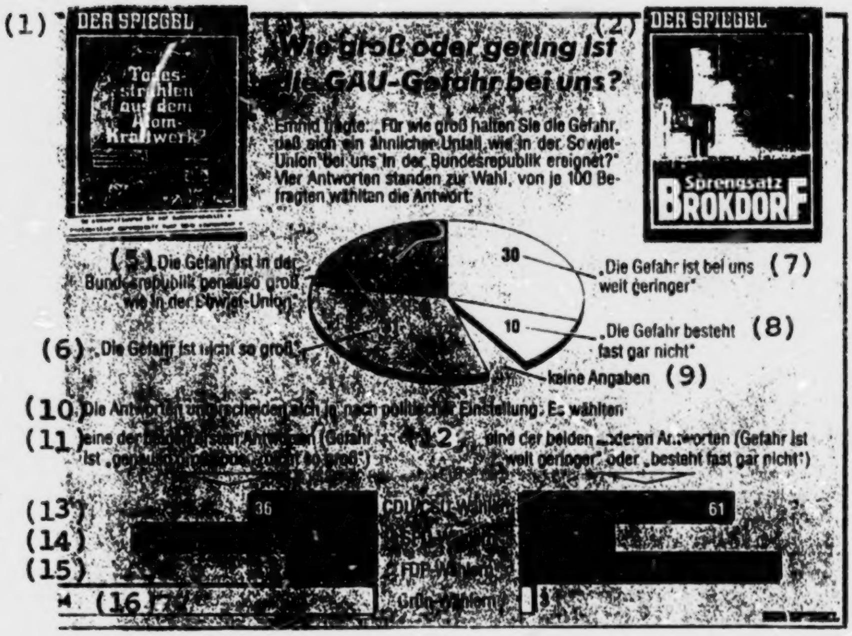
DER SPIEGEL

Key:

1. 56 Percent: "Disturbed to a Very Great Extent"
2. Emnid asked the 1,000 persons questioned "to what extent you are disturbed by the reports and information from Chernobyl on the reactor accident and its consequences for the FRG." Those being polled were asked to respond in terms of a scale running from 1 through 6. "If you select '1,' that means that you are not disturbed at all, and if you select '6,' that means you are disturbed to a very great extent. You can make a finer distinction by using one of the other digits."
3. Out of every 100 individuals, the following percentages responded as follows:
4. "Not at all disturbed"
5. "Disturbed to a very great extent"
6.

1	2	3	4	5	6
4	3	7	11	19	56

7. The following percentages of citizens selected the two highest digits, "5" and "6:"
8. Total
9. Men
10. Women
11. CDU/CSU constituents
12. SPD constituents
13. FDP constituents
14. Green constituents
15. Sixty-one percent: My Shopping and Living Habits Have Changed
16. Another of Emnid's questions was concerned with the interviewees' own behavior. The interviewers first referred to the various warnings regarding milk, vegetables and foodstuffs from the Soviet Bloc and asked: "Have you changed your shopping and living habits in recent days because of these and other warnings, or did you regard that as unnecessary?" The responses per 100 persons questioned were as follows:
17. "Have changed my shopping and living habits"
18. "Regarded that as unnecessary"
19. Per 100 persons questioned, the following had changed their shopping and living habits:
20. Men
21. Women
22. Did the citizens of the FRG Behave Correctly"
23. To the question as to how most citizens of the FRG had behaved, according to the interviewees' impressions, after the reactor accident, the following answers, by percentages, were given:
24. "Most citizens of the FRG were too concerned and too afraid"
25. "Most citizens of the FRG were not concerned and afraid enough"
26. "Most citizens of the FRG behaved in conformity with the situation and correctly"



Wie groß oder gering ist die GAU-Gefahr bei uns?

(4) Emnid fragte: „Für wie groß halten Sie die Gefahr, daß sich ein ähnlicher Unfall wie in der Sowjet-Union bei uns in der Bundesrepublik ereignet?" Vier Antworten standen zur Wahl, von je 100 Befragten wählten die Antwort:

(10) Die Antworten unterscheiden sich je nach politischer Einstellung. Es wählten

(11) eine der beiden ersten Antworten (Gefahr ist „genauso groß" oder „nicht so groß")

(12) eine der beiden anderen Antworten (Gefahr ist „weit geringer" oder „besteht fast gar nicht")

Key:

(1) DER SPIEGEL
Death Rays from the Power Plant?

(2) DER SPIEGEL
Brokdorf Ignition Charge

(3) How large or small is the danger of a big nuclear reactor accident in our country?

(4) Emnid asked: "How big do you consider the danger to be that an accident similar to that in the Soviet Union will take place here in the FRG?" Four responses were made available, and the interviewees responded in the following percentages:

(5) The danger is exactly as great in the FRG as it is in the Soviet Union.

(6) The danger is not as great.

(7) The danger is much less here.

(8) There is hardly any danger.

(9) No response

(10) The responses differed according to political points of view. The following responses were made:

(11) One of the first two responses (danger is "exactly as great" or "not as great").

(12) One of the two other responses (danger is "much less" or "there is hardly any" danger).

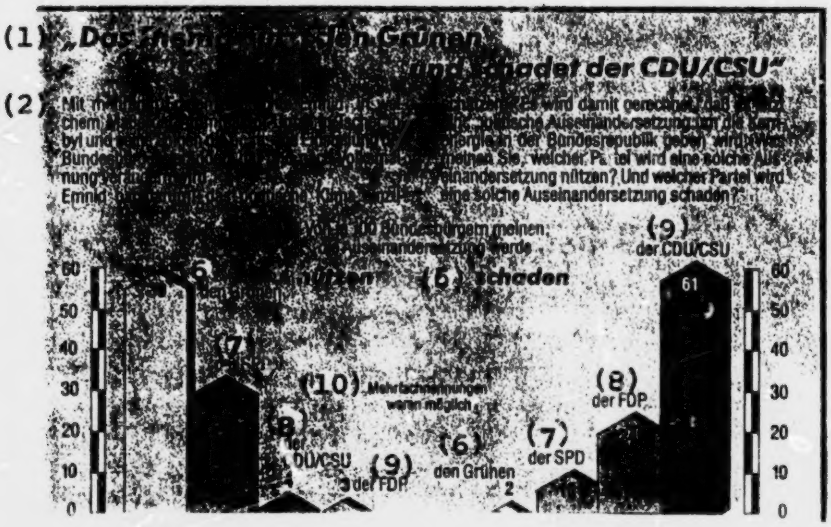
(13) CDU/CSU constituents

(14) SPD constituents

(15) FDP constituents

(16) Green constituents

Table 4.



Key:

(1) "This Theme Is Beneficial to the Greens and damaging to the CDU/CSU"

(2) Emnid explored with many questions the extent to which the nuclear reactor accident in Chernobyl and its consequences have changed and will change the political attitudes of the citizens of the FRG, in the people's opinion. Emnid asked its interviewees to evaluate the political atmosphere. "It is expected that there will be a political controversy over nuclear energy in the FRG now. Which party do you think will benefit from such a controversy? And which party will such a controversy damage?"

(3) The following percentages of interviewees think the controversy will:

(4) Benefit

(5) Damage

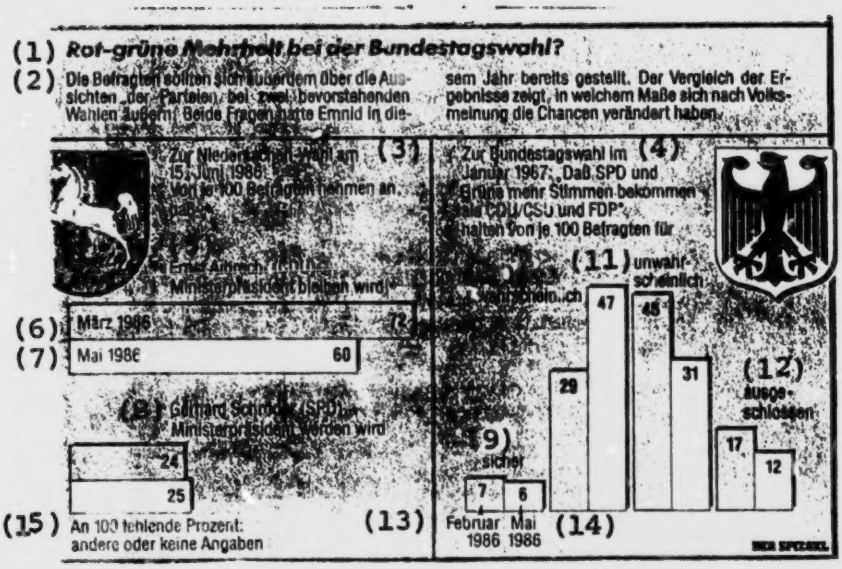
(6) The Greens

(7) The SPD

(8) The CDU/CSU

(9) The FDP

(10) Multiple selections were permitted.



Key:

(1) A Red-Green Majority in the Bundestag Election?

(2) Furthermore, the persons questioned were to give their views regarding the prospects of the various parties in two coming elections. Emnid had already asked both questions earlier this year. A comparison of the results shows the extent to which, in the people's opinion, their respective chances have changed.

(3) In the election in Lower Saxony on 15 June 1986, the following percentages assume that:

(4) In the Bundestag election in January 1987, the following percentage think that the SPD and the Greens will get more votes than the CDU/CSU and the FDP:

(5) Ernst Albrecht (CDU) will continue to be the prime minister

(6) March 1986

(7) May 1986

(8) Gerhard Schroeder (SPD) will become the prime minister

(9) Certainly

(10) Probably

(11) It is improbable

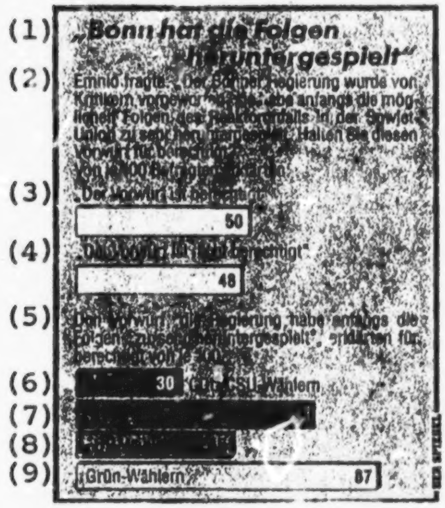
(12) It is out of the question

(13) February 1986

(14) May 1986

(15) The responses making up the differences between the above percentages and 100 percent: other responses or no response.

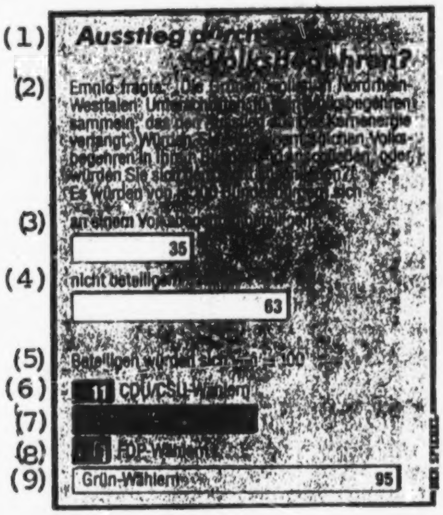
Table 6.



Key:

(1) Bonn Played Down the Consequences
(2) Emnid asked its interviewees: "The government in Bonn was reproached by critics for having played down the possible consequences of the reactor accident in the Soviet Union too much in the beginning. Do you think that complaint is justified? The following percentages indicate the responses that were received:
(3) The complaint is justified.
(4) The complaint is not justified.
(5) The following percentages indicate the responses that were received to the question as to whether the govenment had played down the consequences too much at the beginning:
(6) CDU/CSU constituents
(7) SPD constituents
(8) FDP constituents
(9) Green constituents

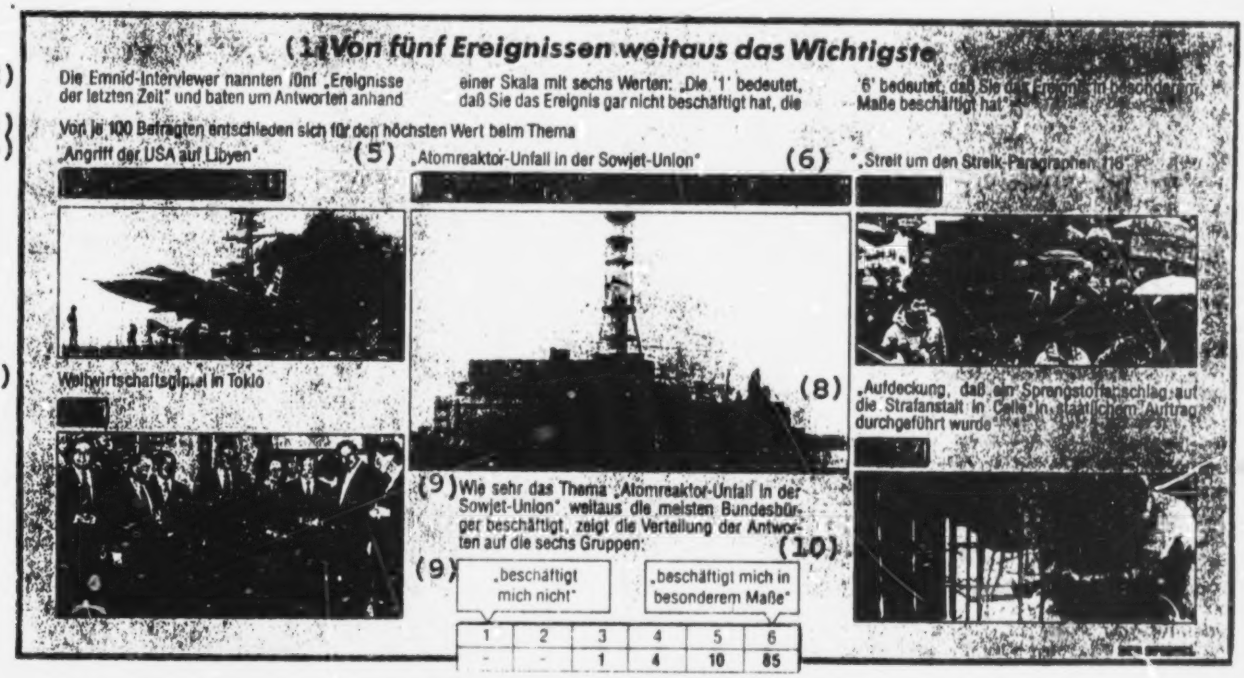
Table 7.



Key:

(1) Get Out through a Plebiscite?
(2) Emnid asked its interviewees: "In North Rhine-Westphalia, the Greens want to collect signatures favoring a plebiscite demanding that we get out of the nuclear energy industry. Would you subscribe to such a plebiscite in your home state or would you not subscribe to it?
The following percentages indicate the responses that were received:
(3) Participate in a plebiscite
(4) Not participate
(5) The following percentages indicate the responses that were received:
(6) CDU/CSU constituents
(7) SPD constituents
(8) FDP constituents
(9) Green constituents

Table 8



(1) Von fünf Ereignissen weitaus das Wichtigste

(2) Die Emnid-Interviewer nannten fünf „Ereignisse der letzten Zeit" und baten um Antworten anhand einer Skala mit sechs Werten: „Die '1' bedeutet, daß Sie das Ereignis gar nicht beschäftigt hat, die '6' bedeutet, daß Sie das Ereignis in besonderem Maße beschäftigt hat".

(3)
(4) Von je 100 Befragten entschieden sich für den höchsten Wert beim Thema

„Angriff der USA auf Libyen"

(5) „Atomreaktor-Unfall in der Sowjet-Union"

(6) „Streit um den Streik-Paragraphen 116"

(7) Weltwirtschaftsgipfel in Tokio

(8) „Aufdeckung, daß ein Sprengstoffanschlag auf die Strafanstalt in Celle in staatlichem Auftrag durchgeführt wurde"

(9) Wie sehr das Thema „Atomreaktor-Unfall in der Sowjet-Union" weitaus die meisten Bundesbürger beschäftigt, zeigt die Verteilung der Antworten auf die sechs Gruppen:

(9) „beschäftigt mich nicht"

(10) „beschäftigt mich in besonderem Maße"

1	2	3	4	5	6
-	-	1	4	10	85

Key:

(1) By Far the Most Important of Five Events
(2) The Emnid interviewers mentioned five "events in the recent past" and asked for responses in accordance with a scale having six values. "'1' means that the event did not bother you and '6' means that the event bothered you to an especially great extent."

(3) The following percentages indicate responses assigning the highest value to the subject in question:
(4) "Attack on Libya by the United States"
(5) "The Nuclear Reactor Accident in the Soviet Union"
(6) "The Controversy over the Paragraph 116 Strike"
(7) "The International Economic Summit Conference in Tokyo"
(8) "The Discovery that an Attack with Explosives on the Penitentiary in Cells was Carried Out on Behalf of Some Government
(9) The distribution of the responses among the six groups shows how much the subject of "the nuclear reactor accident in the Soviet Union" bothers by far the greatest numbers of citizens of the FRG.
(10) Does not bother me.
(11) Bothers me to a great extent.

9258/9435
CSO: 3620/696

POLL: SUPPORT FOR KOIVISTO DROPS FROM 65 TO 56 PERCENT

Helsinki UUSI SUOMI in Finnish 27 Apr 86 p 3

[Article: "Koivisto Still Strong; Support of Left and SMP Has Dropped"]

[Text] Fifty-six percent of all Finns would vote for President Mauno Koivisto if they had to make a voting decision in presidential elections right now. This was revealed through a poll commissioned by the newspaper LAPIN KANSA and conducted by M-Tietokeskus, a poll published in the paper's Saturday edition. A half a year before election Gallup polls promised Koivisto support figures of 65 and 71 percent.

About 500 Finns were interviewed in March for the opinion poll. In the poll respondents were presented with 11 candidates from among whom they had to choose the one they would vote for if the presidential elections were held now.

According to the poll published on Saturday, President Koivisto is still clearly the strongest presidential candidate. The second most-favored one after Koivisto is Foreign Minister Paavo Vayrynen (Center Party), who is supported by 9 percent of all Finns. Bank director Harri Holkeri (Conservative Party) garnered 6 percent, Governor Pirkko Tyolajarvi (Social Democrat) 4 and Governor Kalevi Kivisto (People's Democrat) 3 percent of the vote.

Prime Minister Kalevi Sorsa (Social Democrat), speaker of Parliament Erkki Pystynen (Conservative Party) and the Center Party's Johannes Virolainen measured in at a 2-percent support figure.

SMP Supporters Are the Most Disloyal

Support for both the Left and the Finnish Rural Party (SMP) has dropped by over 4 percentage points in comparison with the last parliamentary elections. According to a poll conducted by M-Tietokeskus for the newspaper KALEVA, the Greens, support for whom is already nearing 7 percent, have most clearly increased support for themselves. Support for the Center Party and the Conservative party is also slightly rising.

According to an opinion poll conducted in February-April, 36.2 percent of the voters would now vote for the Left and 63.8 percent of them for the nonsocialist parties, whereas support for the Left was still 40.7 percent in the parliamentary elections.

According to the poll, the SDP [Social Democratic Party] has preserved its position as largest party, but lost 2.6 percentage points of the support it had in the parliamentary elections. Twenty-four point one percent of the voters would vote for it now. Support for the SKDL [Finnish People's Democratic League] has dropped from 14 to 12.1 percent.

The SMP, which, according to the poll, 4.9 percent of the voters would vote for now, whereas its share of the vote was still 9.7 percent in the parliamentary elections, has overwhelmingly lost its support the most. SMP supporters are also the most disloyal to their party since less than 60 percent of those who voted for the SMP in the last elections would now vote for the SMP.

11,466
CSO: 3617/109

PAPERS COMMENT ON SIGNIFICANCE OF CHERNOBYL NUCLEAR ACCIDENT

'Stalinist' Press Organ's Statement

Helsinki TIEDONANTAJA in Finnish 30 Apr 86 p 2

[Editorial: "The Nuclear Power Plant Accident"]

[Text] The serious nuclear power plant accident that took place in the Soviet Union will without a doubt reanimate discussion and arguments on the good, bad and indifferent of nuclear power.

There are, of course, no simple solutions to this problem which we have spoken about for a long time now. Nuclear power has undeniable advantages in comparison with the use of conventional fuels from the standpoint of sufficiency of energy reserves, economy and also its effects on the environment. It is hard to imagine that the world's energy needs over a long period of time could be ensured without development of the different forms of nuclear energy.

On the other hand, there are risks attached to nuclear power, risks that we are very well capable of minimizing with our current technology, scientifically based standards and public control, but which we can scarcely ever completely eliminate in an absolute sense. Safety requirements constantly evolve because of the existence of these risks and because of our needs. Every nuclear power plant accident is a reminder of this.

There will not fail to be those who attempt to use the serious accident that has occurred in the Soviet Union for anti-Soviet purposes. The Communists will not join this chorus. However, the Communists support diffusion of relevant information on nuclear power and relevant discussion of energy policy alternatives.

'Moderate' CP Organ Comments

Helsinki KANSAN UUTISET in Finnish 30 Apr 86 p 2

[Editorial: "Accident"]

[Text] When the seriousness of the Soviet nuclear power plant accident became apparent Monday evening, all other economic and political discussions were for the moment overshadowed The name, Chernobyl, which only a few people have up to now been aware of, became instantly known to everybody.

The seriousness of the matter was emphasized in Northern Europe because news of the increase in radioactive fallout was reported throughout the day on Monday in the Nordic countries and reports of clear signs of panic came from Sweden, for example.

The governments of the Nordic countries have demanded explanations of what happened from the Soviet Union. Criticisms of the delay in reporting it disclosed in the news media and the lack of information were added to certain demands for an explanation. These attitudes are natural when we consider the extensive controversial views and campaigns that have surrounded nuclear power in the Nordic countries. But from the standpoint of the Soviet Union, the brief announcement read during the chief newscast on Moscow television is already an expression of an entirely new kind of information policy.

In Finland our own officials' delay in informing us of the danger of radiation and Swedish officials' accusations leveled against the parties concerned in Finland are also explained as a gap in communications. The whole situation has given rise to many problems. Since reports of the magnitude of the accident are incomplete, the rumor mill is ascribing entirely exaggerated dimensions to the accident.

Since discussions on the occurrence and its direct consequences were engaged in, in the Soviet Union they began to examine their energy program. And then they ascertained that the country's rapidly progressing program for the construction of nuclear power plants has suffered a considerable setback. Is the same sort of discussion of nuclear power as in Western Europe being engaged in as a result of what has happened? Up to now in the Soviet Union they have through thick and thin stressed the absolute safety of their own energy laws.

The matter is in many ways of current interest and a "hot issue" for Finland. While the antinuclear power movement appears to have declined, political decision-makers' opinions on nuclear power are still sharply divided. Under the circumstances, the debate in Parliament on the nuclear power plant and its decision with regard to the rapidly advancing plan to order a big new power plant may give rise to an entirely new-toned discussion.

Other Newspapers Comment

Helsinki UUSI SUOMI in Finnish 1 May 86 p 4

[Excerpts] The Soviet Union apparently would have tried to keep the whole nuclear power plant accident a secret if the cloud of pollutants it produced had not extended to the Nordic countries and provided ample clues as to what had happened. This is what HELSINGIN SANOMAT wrote in its lead article bearing the headline: "Soviet Policy of Concealment Is Astounding."

This behavior is in keeping with the traditions of the Soviet policy of concealing information. In this case it is not, however, a matter of the country's internal affairs alone. As a member of the International Atomic Energy Agency, it would have been its duty to immediately announce the accident.

SUOMENMAA (Center Party) takes up the debate on nuclear power in Finland. Our nuclear power plants are of a type that is different from the plant in which the accident occurred in the Soviet Union. In spite of this, we here in Finland will certainly discuss the safety of nuclear power hereafter in a more serious vein than before.

Of the SDP papers, only the TURUN PAIVALEHTI dealt with the matter. According to it, in spite of everything we ought to avoid dramatizing the peaceful use of nuclear power and especially the construction of ideas associated with atom bombs.

11,466
CSO: 3617/110

BIOGRAPHICAL DATA ON NEW GOVERNMENT PERSONALITIES

Athens TA NEA in Greek 25 Apr 86 p 3

[Text] A. TRITSIS: Minister of education, 49, deputy from Kefalonia. Married, he has studied architecture and city-planning at Athens Polytechnic and the University of Illinois (U.S.A). He is an architect-city-planner and professor of town-planning at the Pandeion in the graduate department. He was elected deputy in 1981 and was minister of town-planning, housing and environment from 21 October 1981 to 21 September 1984. He is a member of the PASOK Central Committee.

A. KOLIOUSIS: Deputy minister of agriculture, 46, deputy from Thesprotia. He is married and has three daughters. He is a civil engineer (educated at Athens Polytechnic) and was elected deputy for the first time in 1977.

M. NATSINAS: Minister of industry, 61, deputy from Kozani, former vice-president of the Chamber of Deputies. He was born in 1925 in Siatista, Kozani, is married and has one son and one daughter. He has studied law and political science at the University of Salonica and is a practicing attorney. He was elected deputy from Kozani in 1961 with Center Union, and in 1978 was also a PASOK deputy from Kozani, by decision of the electoral-court, in place of Davidopoulos.

D. PITSIORIS: Deputy minister of agriculture, 44, deputy from Magnisia. He was born in Volos in 1942, is married and has one son. He is an engineer (educated at Hanover Polytechnic), has been elected since 1977 and has been deputy minister of industry and finance.

V. SARANDITIS: Deputy minister of defense, 48, deputy from Piraeus First District. He was born in Lakonia in 1938, is married and has one son and two daughters. He has studied political and economic sciences at Athens University and did graduate work in England in maritime law, transportation law and banking law. He is a practicing attorney. He was elected for the first time in 1985. He was secretary-general of the Ministry of Merchant Marine from 1982 to 1983.

TH. STATHIS: Deputy minister of defense, 49, deputy from Larisa. He is married and has two sons and one daughter. He studied to be a mechanical engineer (University of Vienna), and for his masters in mechanical engineering (Columbia University in New York). A doctor and professor of environmental technology (Manhattan University, New York). He is a lecturer and specialist in the sector of environmental technology at the University of Patrai. He was elected for the first time in 1981.

OR. PAPASTRATIS: Deputy minister of defense, 61, deputy from Evvoia. He is married and has two sons. He is a doctor, a surgeon, and was elected deputy for the first time in 1981.

F. PETSALNIKOS: Deputy minister of education, 36, deputy from Kastoria. He is married, has studied law at the University of Salonica, and did graduate work at the University of Bonn.

KH. FOTIOU: Deputy minister of commerce, 47, deputy from Piraeus Second District. He is married and has one son and two daughters. He is a lawyer, mayor of Keratsinion from 1975 until 1978, was elected for the first time in 1981.

S. TZOUMAKAS: Deputy minister of transport, 40, deputy from Athens Second District. He was born in Katarraktis, Arta, in 1946 and is single. He is a lawyer, an alternate member of the PASOK Executive Office and a former president of EFEE [National Student Union of Greece]. A deputy of state in 1977, he was elected in Athens First District in 1981 and in 1985.

D. GEORGAKOPOULOS: Deputy minister of finance, 38, deputy from Ileia. He was born in Varda, Ileia in 1948, is married, has studied mathematics and economics and is a banker. He was elected for the first time in 1981.

K. PAPANAGIOTOU: Deputy minister of labor, 48, extra-parliamentary, member of the PASOK Central Committee. He has been vice president of the Athens Bar Association and secretary general of the Ministry of Labor since 1981.

9247
CSO: 3521/147

GOVERNMENT SEEN LOSER IN CHERNOBYL CONSEQUENCES

Athens EMBISTEVTIKO GRAMMA in Greek 14 May 86 p 2

[Text] Displeasure prevails among many government factors because, as they told us, they think the government is coming out the loser from the nuclear catastrophe in the Soviet Union. In particular, Koutsogiorgos' circle expresses the opinion that the government's alignment in the beginning with the Soviet tactic of providing information and its relaxed manner was detrimental because it went against the broad popular sentiment and shook confidence in the government. Also, it is observed that the pro-government newspapers, facing the danger of losing ground, from the standpoint of circulation, versus the opposition papers--with the exception of PROTI which is more openly pro-Soviet--distanced themselves from the Soviet line and therefore were of no service to the government.

So, inevitably, the latter found its only means of expression in television, which quickly fell to great discredit, however, and in certain cases was galling in its reporting. As a result, the popular confidence in the government is shaken even more. At present there is great speculation in government echelons and some ministers stress that PASOK has lost a big opportunity to show the outside world how irresponsible the KKE is on issues concerning public health and the national interest. According to one part of the party's officials, in the case of Chernobyl, Papandreou, because of petty-party and dubious considerations, lost the opportunity to score points versus the KKE, and to exploit New Democracy's initial lukewarm stance in the face of events. As we were informed by experts in measuring public opinion, the issue of radioactivity will, in the end, have negative repercussions on the government's prestige which, according to recent polls, is following a downward course, without this fact being translated into a rise in the public's confidence in ND, however.

9247
CSO: 3521/147

POLITICAL GREECE

RESULTS OF STUDENT ELECTIONS SHOW PASOK LOSSES

Athens TO VIMA in Greek 20 Apr 86 pp 6-8

/Article by Giorgos Lakopoulos/

/Excerpts/ The decision by EFEE /National Student Union of Greece/ to publish on its own the official results of this year's student elections to prevent a contraversy like last year's was in the long run proven to be "unnecessary." The electoral body of Greek universities demonstrated its preferences with such clarity that not only the results but the new elements that these results create are already finding --even though "forcedly"-- ready acceptance on the part of the "duelists."

Moreover, this year's student elections had characteristics that more or less differentiated them markedly from previous years, namely the following:

First of all, they took place in an atmosphere of "calmness bordering on indifference" if one takes into consideration the rather limited student presence during the pre-electoral campaign by the various factions. And yet the record participation observed at the polls is now being interpreted as an indication that students have reacted with more "electoral" and lesser "political" feelings.

Secondly, both the continued influence of the factions and the progressive orientation of the student movement was made clear. If we were to include the 3,000 additional students who voted this year together with the 6,483 votes that PASP /Panhellenic Militant Student Faction/ and the Democratic Struggle lost overall, then the 1,780 additional votes that DAP /as published/, that claims first place, obtained show that the outflow toward a conservative direction was slight even if the 1,000 ADIK /as published/ votes were to be taken into account.

Thirdly, the mobilization of party organizations and neo-populist organizations damaged the pro-government faction. Many of its speakers showed up at empty auditoriums and in many instances students affiliated party-wise with PASOK did not take an active part in the meetings. Indeed, characteristic of the situation was the surprise of Minister of Health G. Gennimatas when he went to the School of Medicine to deliver a speech and where he met a student --a PASOK member-- who asked him in a most natural manner: "How come you showed up here, Mr Minister?"

Fourthly, the confrontations between factions were centered on issues not having to do mainly with university issues and this forced PASP trade unionists to "stand up for" issues different from those that constituted the pivotal point of the faction's electoral strategy.

Fifthly, "controlled polarization" that characterized the presence of students in their schools facilitated the outflow of voters toward "the more dynamic factions" of PSK /Pan-Student Trade Union Movement/ and DAP --which in some way or other managed to rally students and also through their special trade unionist operations that had the most visible "social" character.

Nevertheless, these reflections do not refute a basic pont. The "big loser" of this year's student elections is PASP. The inability of PASOK's student faction to hold on to at least the same number of voters that permitted it to claim first place last year and its --on the contrary-- spectacular shrinkage percentage-wise have all brought it a level of influence that it has not experienced since 1974.

On the other hand, PASK was rather eas-ly able to overcome "problems" that had been created for it by last year's results, problems having to do with its maintaining the picture of "the first force" that has over the past few years constituted its "central rallying slogan" and to leave DAP and PASP behind.

Democratic Struggle followed a rather normal course that had already been determined by the marked absence of its cadres from the "pre-electoral load" of the schools, while the ambitious ADIK (DIANA's /Democratic Revival/) not only did not threaten DAP but, to the contrary, put the party to which it gives allegiance in a difficult position during its "first official confrontation" with New Democracy.

Despite the "clear" picture that the overall results present, a detailed study shows interesing facts over the way the strength of each faction was developed. It is, indeed, noteworthy to note that the increased participation, the shifts, the "placing of percentages" on the absolute numbers lead to impressive observations for the development of the results.

- DAP did not lose strength in any of the areas where "mass" university schools exist. To the contrary, it continued its rapid course of the past few years in the Athens area. In the capital itself it obtained a total of 1,197 votes (1.57 percent) more, while in Salonica it increased its strength by 735 votes (1.75 percent). Only in Crete did it lose 1.03 percent despite getting 177 more votes.

In Athens, it held on to second place that it had, while in Salonica it got first place. In Ioannina, it obtained second place, while in Patras and Thraki it came out number one.

It is also noteworthy that only in two universities (the industrial and the Pandeion) it lost strength, both in votes and percentage-wise, while in all the other universities it came out with increased percentages even where it obtained lesser votes (Kapodistriako).

The same faction showed a small numerical drop in the economic and law schools, but even here it increased its percentage, while in all the other schools it came out with more votes and increased percentages. DAP is now the number one force in the medical theological and polytechnic schools, exactly where PASP lost most strength.

- PSK holds first place in four cities but in Patras, where it held the same place last year, it dropped to third place this year, a fact that certainly is related to the well-known KKE developments. Just as last year, the faction occupied first place in seven universities, second place in three universities and third place only in one (Patras). Its strength in the economic and athletic schools showed an impressive increase, while it lost votes, but not percentage-wise, in the law schools.

- PASP showed greater strength in number of votes in three cities but in none did its percentage rise. In Athens, it lost 2,180 votes and 6.39 percent and in Salonica 953 votes and 4.89 percent.

The faction increased its numerical strength appreciably only in Crete and Patras but percentage-wise it dropped there also, while it lost significant strength in the Kapodistriako University (6.54 percent), the EMP [Greek Metsovion Polytechnic School] (7.54 percent), in the ASOEE [Advanced School of Economic and Commercial Sciences] (7.33 percent) and TEFAA [as published] (10.34 percent). By school category, the faction showed a drop in the economic schools (5.6 percent), law schools (8.5 percent) and polytechnic schools (5.7 percent), while in no school category did it increase its strength in votes and percentage-wise.

PASP is at present not a "first rate power" in any city, university or school category, while it did occupy this place last year in one city, two schools and one school category (in the athletic schools it dropped from first to third place).

- Democratic Struggle followed a course similar to that of PASP. Without being in danger of losing fourth place, a place that it has "regularly" occupied over the past few years but without any hope of ever moving up to third place, has seen it numerical strength (but not is percentage) increase in four cites, lose strength (both in number and percentage) in Athens and Salonica, backtrack in the big universities and lose members in all the big schools, while it moved up in only one school percentage-wise and increased its numerical strength in two.

These conclusions clearly follow from a mere reading of school registers and describe the specific course of each of the four major factions. Also of interest, however, is an exact "inverse" reading of them.

In the big cities (Athens and Salonica) where about 80 percent of the students voted, PASP showed the greatest losses that finally shaped its definitive percentage. It is indeed characteristic that in Athens the faction lost in percentage about as much as it lost on an overall country scale.

Also losing strength in the same cities was Democratic Struggle, while PSK showed the greatest gains (3.4 percent in Athens and 3.9 percent in Salonica). DAP increased its strength but in a way disproportionate to the larger number of votes it obtained.

In the remaining cities, PASP had its greatest losses in Thraki where it lost 6.47 percent even though it obtained only six votes less than last year, while in Crete it got 292 more votes but lost about one percentage point.

This year, 1,103 less students voted in the economic schools but PASP lost 1,338 votes and 5.6 percent. Also suffering losses of 382 votes and 1.37 percent was Democratic Struggle. PSK was favored with 288 votes (3.72 percent) and DAP with 96 votes and 1.28 percent. ADIK got 270 votes, the "miscellaneous" almost the same number as last year.

It is most obvious that the shift of the absolute figures into percentages in these schools favored the first two factions.

- In the law schools, 8.05 percent of PASP's losses (670 votes even though 511 more students voted) shifted more to ADIK (3.24 percent and 212 votes) and the "miscellaneous" (213 more votes and 3.6 percent), while DAP got 2.10 percent more for which 42 more votes were sufficient.

PSP got 51 votes more and increased its percentage by 0.91 percent. DAP and ADIK were obviously favored by this distribution.

- In the schools of philosophy with 294 more students voting, PASP lost 349 votes and 4.52 percent and Democratic Struggle about the same number of votes (337) but a smaller percentage (3.02). Benefiting from the losses were mainly the "miscellaneous" (3.22 percent) and secondly PSK (1.88 percent and 232 votes) and DAP (1.48 percent and 197 votes).

- In medical schools where about the same number of students voted as in 1985, PASP lost 474 votes (4.67 percent). Democratic Struggle also lost 118 votes (1.01 percent) and the "miscellaneous" 1 percent. Benefiting were PSK (2.88 percent and 200 votes) and DAP (2.28 percent and 124 votes). Once again the numbers game favored the two big factions.

In the physics and mathematics schools, PASP dropped by 520 votes and 5.19 percent while Democratic Struggle dropped by 154 votes and 1.64 percent. Primarily benefiting were DAP with 2.64 percent (344 votes) and the "miscellaneous" with 2.37 percent (279 votes), while PSK got only 0.67 percent more even if it was number one with 134 more votes. In these schools the number of voters came to about 400.

In the theological schools, the figures once again went against PASP. Only 58 students more voted, the faction lost only 20 votes but losses percentage-wise was in the order of 5.28 percent. Democratic Struggle also lost 1.45 percent (33 votes), while benefiting were PSK whose 58 votes were sufficient to have it obtain 2.42 percent more, DAP with 1.99 percent more (55 votes), as well as ADIK that obtained one of its best percentages, namely 2.74.

In the teacher training schools, 1421 more voted and PASP list 70 votes and 3.87 percent. These losses were about equally distributed among the other factions, with the exception of Democratic Struggle that got 233 more votes and about one percentage point.

In the polytechnic schools, DAP needed 389 votes more to obtain 2.38 percent more, while PSK with 322 votes did not get more than 1.9 percent. ADIK did not do badly here with 246 votes and 2.28 percent, while the "miscellaneous" had a rise of 1.6 percent. PASP received 513 votes and 5.7 percent and Democratic Struggle 200 votes and 2.84 percent. A total of 775 more students voted in these schools.

Finally, in the teacher training academies with 221 more voting, PASP which was number one last year with 32.64 percent and 1,098 votes received 121 less votes this year, i.e. 8.43 percent. If one takes into consideration the fact that ADIK and the "miscellaneous" did not have much influence the benefits were distributed among PSK (with 5.39 percent and 420 votes) and DAP (that got 3.4 percent more and 313 votes). Democratic Struggle obtained four more votes but lost 1.09 percent of its strength.

All of the above, despite "tiring sameness" that figures have and that sometimes do not provide the exact tendencies of the electorate, facilitate the drawing of conclusions in the way the student factions' influence was judged.

The first conclusion concerns the disappointment of PASP's expectations that the great voter participation would give it the possibility of remaining at high percentage levels. To the contrary, it appears that students flocked to the polls influenced by DAP and PSK primarily that were favored with both the numerical and percentage-wise losses that the pro-government faction suffered. If, in fact, we consider that in some schools the ADIK votes were taken away primarily from DAP, then the question is raised from where was the void they created in the ND faction filled?

The second conclusion is that this year PASP received a smaller number of votes from first year students than at any other year. At least this is what ensues from the fact that even in those cases where an increased participation is noted (primarily in the big schools) the faction suffered an impressive drop. Democratic Struggle must also have had little influence on first year students, while the lion's share must have been shared by DAP if one takes into account that Democratic Struggle's losses went mainly to PASK.

The third conclusion relates to the most evident influence of the social and political environment on the student voter. In Athens where the epicenter of anti-government demonstrations is to be found and where the most intense presence of government opposition is seen, together with the well-known quality of life conditions, there was a large-scale hemorrhaging of the pro-government faction and a corresponding strengthening of the opposition factions.

A fourth conclusion must be found in the employment conditions that characterize the professional sectors prevalent in each school and even in the trade unionist "mobilization" of these sectors in recent times, or even in their opposition to government initiatives that relate to them.

For example, in the law schools with the professional majority of the corresponding sector as well as their well-known "opposition" to the government, PASP faded out. In these schools the Right and the "miscellaneous" came out especially strengthened.

Things took a similar aspect in the polytechnic schools where this professional sector is undergoing a crisis, a crisis also being felt by the medical schools which have recently been suffering through all that has been reported about ESY /National Health System/.

Besides the university student elections described above there were also high school student elections. Here, things assumed another form. PASP lost 3 percentage points but clearly left DAP, that showed a rise of 2.6 points, behind it, while PSK went on to obtain first place getting 2 points more than last year. Democratic Struggle had slight losses (only 26 votes and 0.2 points) but there were evident differences in the other factions that lost approximately 1.5 percent.

The political consequences coming out of this year's university and high school student elections are subject to their being excessively exploited by those who do not have any reason to rejoice. Nevertheless, since the intrigues in the universities do not relate only to political parties but are recorded as more substantial social and political phenomena, it would be perhaps more useful, when the atmosphere "of winners and losers" dies down, that they might constitute a subject of a more realistic approach.

The 13th All-Student Congress that convenes next Friday --the exact number of seats that each faction will occupy is still not clear and even less clear is the prospect of a chairmanship being set up in EFFE and ESEE /as published/ -- will obviously constitute yet another channel for party "lines."

The question, however, is what will happen after the congress and especially how the university student movement will acquire not only a clearer orientation but mainly a more effective structure in all levels of its organization. On Thursday, the electoral body solved for 1986 the differences among factions for first place but left in abeyance the matter of (re)organization of university student intervention in and out of universities.

5671
CSO: 3521/140

POLITICAL

GREECE

BRIEFS

FAILURE IN PASOK-KKE(INT) RAPPROCHEMENT--The effort by Pasok Eurodeputy Khr. Papoutsis to re-establish some bridges of communication between PASOK and the KKE(Int) is considered by political observers to be an "overture of desperation." According to our information, the goal of Papoutsis' effort, which was revealed at the Fourth KKE(Int) Congress last Sunday before everyone, is to prevent any kind of cooperation between G. Arsenis and syndicalists expelled from PASOK and the KKE(Int). Also, the young Eurodeputy initiated talk about a PASOK-KKE(Int) cooperation in an effort to check the losses to the left being seen in the heart of the PASOK youth, which is constantly weakening. Finally, Papoutsis' initiative corroborates similar "overtures" made by A. Papandreou, and is indicative of PASOK's choices in the future as concerns the policy on alliances it will follow. Nevertheless, from the side of the KKE(Int)--which is trying to survive--a closer cooperation with PASOK, under present conditions, is deemed disadvantageous. Characteristic of this viewpoint are the words of Leonidas Kyrkos at the Fourth KKE(Int) Congress. He said that PASOK's proposal for a dialogue and cooperation, given the government policy, does not make such a dialogue "socially acceptable and politically possible." [Text] [Athens EMBISTEVTIKO GRAMMA in Greek 14 May 86 p 1] 9247

CSO: 3521/147

FIVE-PARTY COALITION ISSUES ACCORD

Policies Determined

Rome L'UNITA in Italian 29 Apr 86 p 2

[Article by Gabriella Mecucci: "The Ten Points of the Five-Party Coalition"; first paragraph is L'UNITA introduction]

[Text] A political program launched by the recent leadership "review." Inflation at 5 percent, growth at over 3 percent. Also considered are issues of national social reform, welfare, the South, the legal system, and institutions. No agreement on avoiding the referendum on the judiciary supported by socialists and radicals. Few concrete proposals.

Rome--Five percent inflation, a positive balance of payments, more than 3 percent growth in gross domestic product, and growth in employment. These declarations open the policy document agreed upon by the secretaries of the majority parties at the last leadership review meeting. The 8th and last meeting was very long (almost 9 hours) and led to the addition of two amendments. These amendments offer very few new ideas or concrete proposals except for some decisions on the RAI [Italian Radio Broadcasting and Television Company], which will be reported on separately. The rest addresses either summarity or vaguely such issues as inflation, the public debt, social reform, the INPS [National Social Security Institute] and welfare, health, investments, the South, jobs, the judicial system and institutions.

The proposals on which the five parties agreed are as follows:

Inflation: Reducing inflation to a rate of 5 percent will be possible only if businesses do not take advantage of the present favorable economic situation to increase profits, prices are restrained, and a strong incomes policy is in effect. However, the document does not say what means are to be used to accomplish this. It says only that the government shall have "a coherent rate policy that does not prevent the maintenance of family and energy consumers' incomes."

Budget Deficit: The deficit is to be reduced in size and the nature of expenditures reviewed. The deficit should not exceed 7-8 percent of the gross domestic product. Tax revenues should be increased only by reducing tax evasion while the "level of tax pressure should remain unchanged." Local governments should be given autonomous taking powers. How? The document again makes only one concrete proposal: introducing the Tasco.

As for expenditures, the possibility is mentioned of further lowering the yields on treasury bonds and CCT's through a "balanced and forward-looking tax policy." In practice this means reducing the cost of money. Expenditures would also fall, thanks to a reduction in "all forms of transfer payments and subsidies." However, the document does not mention what or how much would be eliminated.

Welfare and social security: public assistance is to be separated from welfare. As Goria had already said, welfare payments "are to be financed separately by the national government and limited to the truly needy." Also, "The excess of welfare-statism must be replaced by social pluralism based on solidarity." Such vague generalities are rife throughout the part of the document dealing with pensions, and the gist of it seems to be that the maximum would be lowered and an age limit imposed. The proposal on social security reform would limit the power of administrative and institutional councils by a "more restricted executive power that will supervise the structures."

Health: "Urgent" approval of the health plan so as to link the action of all structures within precise parameters; stopping refinancing deficits; instituting professional management in hospitals, and selecting local health unit management according to rigorously professional criteria.

Investments: Growth should reach about 6 percent and give incentives to innovation. As for monetary legislation, there should be "greater and progressive liberalization and internationalization of our financial market." Public investments--as provided by budget--would amount to 38 trillion lire and be made mainly in the energy sector (with implementation of the PEN [National Energy Program] and, therefore, construction of planned energy plants), in the sectors of telecommunications, railways, construction, national defense, the environment, and the cultural heritage.

The South: Immediate implementation of the emergency-action law, and the law concerning new businesses and Calabria. Some projects are listed for completion: high-speed transportation, research areas in Southern localities, modernization of urban centers, measures to increase the productive base and the supply of services.

Employment: A series of laws are mentioned that have already been approved and that, if applied, will create jobs. Also proposed are the introduction of apprenticeships in the artisanal sector, an increase in hiring lists, the introduction of entry wages, the expansion of part-time work, and greater overall flexibility in the labor market.

Justice: The document lists some actions that should be taken. Strengthening the judiciary as a body, extending the rights of the accused and those indicted, improvement in jail construction, new penalties for crimes committed by public officials against public administration, and approval of the bill on disassociation. The five parties did not agree on the issue that is the object of the socialist and radical referendum. Martelli said that "for the moment all the reasons still stand that led to the collection of signatures."

Institutions: The priority of some bills is discussed: those on local government reform, the institution of the Council presidency, establishing a ministry of the Environment, the land expropriation law, and equal justice. Not a word is said about the issue raised by the socialists, who call for abolition of the secret ballot. This is a point on which the majority parties are still divided.

Schools and Universities: Implementation of mandatory schooling, a framework law on secondary school reform and a greater role for private schools in the system as a whole.

The five-party document concludes with a statement that separate documents will be prepared on such issues as election legislation, constitutional reforms and rules for the Chamber of Deputies.

TV Monopoly, Amnesty

Rome LA REPUBBLICA in Italian 29 Apr 86 p 3

[Article by Giorgio Rossi: "End of the TV Monopoly"]

[Text] End of the government leadership meeting. Craxi: "A good, satisfactory agreement." The way is open to "private" television news. Amnesty of 2 June excludes terrorists.

Appointment of RAI directors is postponed till after the Council president returns from Tokyo. Disagreement with Liberals on teaching and on hours for religious education. Other important issues are put off till after the DC [Christian Democratic] congress.

Rome--According to the president of the Council, the leadership meeting that concluded yesterday reached "good and satisfactory" agreements. According to Forlani, things went "as well as possible." According to De Mita, the very long summit meeting served to "salvage most of the reasons for sticking together." Nicolazzi said he was "sufficiently satisfied." Biondi spoke of "positive agreements." Spadolini limited his remarks to saying that "it was a very hard-working meeting."

Actually, what ended yesterday after almost 8 hours in session was a summit meeting not very different from the previous six in the 3 years of the Craxi government: important issues and decisions were postponed till after the DC congress, and some of them till after the Sicilian elections in June. (The economics paper is like the previous ones, with a lot of declarations of intent but very little else concerning the budget deficit, government spending and unemployment. Appointments to leadership positions in government agencies and banks were postponed; also postponed was the appointment of the RAI president, although Socialist Enrico Manca was virtually a consensus choice.) However, two important decisions were reached: rules on public and private television broadcasting, and amnesty.

Spadolini and Biondi were the main movers on the television issue. The documentation on this issue confirmed their arguments on major points.
(1) Sponsorships would be included in the public television advertising limit and in the broadcasting index of public and private television.
(2) So-called "subliminal" advertising would be prohibited during programs.
(3) A watchdog commission would be set up to verify compliance by public and private television. The parliamentary oversight commission will retain the tasks of managing and ensuring impartiality on public television.
(4) Private parties would have the right to connection and direct transmission throughout the country, but no private individual could own more than two television networks.

The End of the Monopoly

This is the most important decision, because it effectively sanctions the end of the national government's monopoly on television news, for one thing. For another, Berlusconi, for example, would not be able to broadcast unless he somehow divests himself of one of the three networks he owns (Channel 5, Retequattro, Italia 1). In any case, television news would not be broadcast by more than one network. Martelli confirmed that this was the most important decision and spoke favorably of "televerification." Afterwards, Gava told the Council of Ministers, "I will draft the bill in a few days."

On the second point, concerning amnesty, the agreement reached provides for initiating new provisions, presumably to fall on the holiday of 2 June, as will the exclusion of benefits for terrorist networks and subversion of the government.

At the close of the meeting, De Mita said that "Religious instruction time is a problem for the government." The issue was the subject of lively discussion during the meeting. If government project provided for parental consent to the options selected by children, and this proposal was altered by compromise; when parents enroll children in school, they must confirm in writing not only the children's choices but also the hours to be scheduled. The Liberal secretary tried to have this option made contingent on the parents' request to enroll their children. When Biondi saw he was not going to win (De Mita was quite opposed, and the others were amenable to the compromise), he initially said he would break with the majority on this point. But he ran into stiff opposition from the other secretaries, who held that the decision of the majority ought to be accepted because it was too easy to shirk responsibility. Biondi finally gave in. Altissimo will state the Liberals' reservations to the Council of Ministers and at the same time their intention to "follow majority rule."

In any case, the last word has not yet been said on this issue. According to Nicolazzi, the agreement reached "is not a true and proper agreement, because differences remain between the DC and the PLI [Italian Liberal Party] on the means of implementing the option." This sheds light on De Mita's opposition: the government shall decide. But what will happen in parliament when the deputies have to vote on such a delicate issue, one that the lay public is very sensitive to?

The general program agreement, which is supposed to be implemented by the government by the end of the year, is summed up in a document of 20-odd sections. It is an all-inclusive document that is limited, as we have said, to stating intentions and listing problems. As far as the economy is concerned, there is no substantial discussion of the merits of the measures to be adopted. The discussion of institutions is even vaguer: modifications of parliamentary rules, proposals for electoral reform (introduction of a single national electoral college is being considered), and constitutional reforms (only the conclusions of the Bozzi commission) will be examined in "separate documents" that are "to be defined." Also, approval "by summer" of the decrees on housing (mortgage redemption, reform of the IACP), land law and rent control.

Maxi-Meeting of the Leadership

The thorny question of appointments was set aside. However, agreement was reached on the appointment of Manca to the RAI chairmanship and on the Administrative Council within a few days, most likely when the Council president returns from Tokyo and a maxi-meeting is held with all the parliamentary majority group leaders to assign them their duties when the leadership proposals are sent up as bills.

No mention was made of foreign policy. The Council of Ministers was to deal with it later, when Craxi made a detailed report. Spadolini and Martelli both overlooked the fact that differing foreign policies exist within the majority and the government; they are supposed to be only different "sensitivities." Nor was there any mention of administrative replacement, an issue that seems to have been abandoned. Is everything all right, then? Or will the game-playing start up again and the problems of this so insubstantial summit come home to roost after the Christian Democratic conference in the summer?

De Mita gave a cryptic answer to whoever asked him if another meeting would be held after the congress: "These leadership meetings are like restructuring a business, provided the business continues to function." Will there then be a permanent leadership meeting?

8782
CSO: 3528/127

BRIEFS

PCI-PRI LOCAL ALLIANCES--Rome--Is the PRI [Italian Republican Party] reexamining its policy of local alliances? Would it seem so, looking at the Roman scene? In Forli, the Republicans sit together with the Communists in the local council. In Cesena, the same thing is ready to happen in both the local and provincial councils. In Ravenna, an agreement has been reached between the PCI, PSI, PSDI [Italian Social Democratic Party] and the PRI. The question was considered at the Cesena congress, where the top party leaders participated. With some individual reservations, all of them admitted that Rome was a "special case." Moreover, Spadolini added, "We should talk with the PCI, and we can no longer let the PSI have an exclusive dialogue with the Communists." Many of them emphasized the fact that the Roman example may spread, especially in Emilia province. The PCI has proposed joint programs in Parma and Piacenza, where the five-party coalition governs. However, the Communists are a single-party minority in Bologna. [Text] [Rome L'UNITA in Italian 28 Apr 86 p 2] 8782

CSO: 3528/127

POLITICAL

PORTUGAL

INTELLIGENCE SERVICE: DELAYS, PERSONALITIES REVIEWED

Delays Affect Take-Off

Lisbon TEMPO in Portuguese 11 Apr 86 p 13

[Text] The country's intelligence system is still bogged down. The Military Intelligence Service (SIM) is now barely functioning, while the Security Intelligence Service has a new building at Alexandre Herculano which is still not completed, and its director, Ramiro Monteiro, is working out of a borrowed office at the Foreign Service. As for the SIED, the Strategic Defense Intelligence Service, nothing more is known than the decree published in July of last year.

Another appointment which has not yet led to any practical results despite the controversy it provoked was that of General Pedro Cardoso as secretary-general of the technical commission.

The functions and characteristics of the newly created Security Intelligence Service [SIS] gave rise to a heated debate over the need for the Portuguese government to have effective defensive means to counter escalating international terrorism and the activities of subversive groups in Portugal.

Called the "new PIDE" or "secret police agency," the SIS continues to hope for better days, a fact which fills with satisfaction those holding a monopoly over information.

Political parties, notably the PC, international economic groups and a half dozen highly influential sectors in Portugal all have need of a serious intelligence service.

During the 12 years of democracy, they have been mounting their own systems for better or worse, and they are now clearly threatened by the SIS, if perchance there is political will to structure an effective, independent service capable of putting an end once and for all to the total muddle the Portuguese intelligence system is in.

However, it is not going to be easy to create a situation in which the SIS can effectively perform the functions given to it by Decree 225/85.

The problem begins with recruitment of personnel. Besides Ramiro Monteiro and a half dozen experts loyal to him, the criteria for employing future security agents and auxiliary personnel have to be established. The long list of attributes and requirements recently published by a government leader would, in the final analysis, mean that men and women would have to be recruited from another planet.

In the end, the overly strict qualifications could alone conceal what many people regard as inevitable: recruitment along party lines, the artificial creation of jobs whenever there is a change in government and, finally, the degeneration of the SIS into an agency serving political parties and pressure groups, without internal or external credibility.

But even if recruitment is conducted independently, another delicate problem immediately arises: training of personnel.

In a clear demonstration of the rampant provincialism in many services and among leaders, statements have been made indicating that future agents and specialized staff should be trained abroad in a European country.

We can cite as examples the cases of Spain and France.

In other words, Portugal is not only going to allow foreign services to have full knowledge of its "secret service," but will make it easy for certain staff members to establish preferential ties with these services. Besides the list of salaries and entitlements of all the personnel of SIS and SIED, it leaves an open door for bribery.

In fact, under the law, the personnel appointed to work for SIED and SIS are, when on the job, entitled to a risk allowance which is fixed annually. This means that the secretary, janitor and typist, for example, run risks for which they deserve to be paid. To say that it is enough to go into the building at Alexandre Herculano is to take the meaning of "risk" too far and convert a service which should be carried out with a strong sense of mission into a mercenary job with dangerous consequences.

Moreover, when they tried to apply this entitlement to the staff of the Military Intelligence Services, the Armed Forces rejected the proposal immediately because of the risks it entailed for discipline and cohesiveness in the ranks.

Meanwhile, with the government budget already approved, the people are anxiously awaiting to see what the government and SIS Director Ramiro Monteiro are going to do to give the "secret police agency" the human and material means it needs, given the fact that it will be 5 years before the new service will be in a position to operate smoothly.

As for the SIED, the situation is much worse. Nothing is known, nor is anyone predicting anything, about the appointment of its directors.

Appointments Reported

Lisbon O DIABO in Portuguese 15 Apr 86 p 5

[Text] Colonel Teotonio Pereira was appointed assistant director of the Intelligence and Security Service (SIS), O DIABO learned from a government source.

Fifty-one years old from Mondim de Basto, Colonel Teotonio Jose de Carvalho Ribeiro Pereira is one of the most distinguished soldiers in the Armed Forces, with an exemplary service record. Operations official in Guinea, Angola and Mozambique during the overseas war, Colonel Teotonio Pereira was promoted to the head of the Intelligence Office of the Chief Command of the Angolan Armed Forces.

After 25 April, he was commander of the Republican National Guard Battalion and, during the past 6 years, he has served as commander of the Public Security Police Force in Lisbon. He is currently deputy to the minister of internal administration, Eurico de Melo.

With the appointment of this high-ranking Army officer, the two top posts at the Intelligence and Security Service are filled. The director is Ramiro Ladeira Monteiro.

The other military officer appointed to that service is Reserve General Pedro Cardoso, who is serving as secretary-general of the Technical Commission.

Created by Law 30/84 of 5 September, the Intelligence and Security Service operates under the minister of internal administration.

The SIS is the only agency responsible for producing intelligence to guarantee internal security, and protecting against acts of sabotage, terrorism, espionage and any other acts which, by their nature, might alter or destroy the State.

This service is currently being set up, and the staff has not yet been recruited. According to a government source, "because of the specificity of this service, this will necessarily be a slow process, so as to avoid possible infiltration by persons who continue to perpetrate instability and undermine the security of the people and the government."

The bombing attempt on Thursday morning against Air France facilities in Lisbon is an example of this.

"For some reason, Portugal ranks second among European countries most open to terrorist acts," the same source added.

9805/12859
CSO: 3542/90

BRIEFS

USSR OFFICIAL'S VISIT--Soviet Deputy Minister of Culture Georgi Ivanov went to Marinha Grande where he visited the Irmaos Stephens glass factory and the local town council. Georgi Ivanov was accompanied by Igor Ermolaev, secretary-general of the USSR-Portuguese Friendship Association, among others. After visiting the Irmaos Stephens facilities, the Soviet deputy culture minister went to the town council where he was received by its president and town councillors. In the evening, Georgi Ivanov participated in a colloquium during which various aspects of cultural life in the USSR and possibilities of cooperation between the two friendship associations were discussed. Georgi Ivanov was received in the afternoon by the president of the National Assembly. The deputy cultural minister is in Portugal at the invitation of the USSR-Portuguese Friendship Association. [Text] [Lisbon O DIA in Portuguese 11 Apr 86 p 6] 9805/12858

KOMSOMOL DELEGATION'S VISIT--A delegation from the Soviet Union's Leninist Komsomol, which has been visiting Portugal for the past week, is leaving tomorrow for Moscow. The visit was made to help commemorate the 25th anniversary of the first manned flight. The delegation of Soviet youth, which included Nikolai Merkuchkine, an alternate member of the Central Committee of Leninist Komsomol and a deputy to the Supreme Soviet of the Autonomous Republic of Mordovia, Helena Karmin, a medical student, Yuri Emchamov, a researcher, and interpreter Dimitri Senikov, participated in public events scheduled in Lisbon, Corroios, Alverca, Porto and Coimbra. The visit by this delegation is part of the friendly relations between the Portuguese Communist Youth and Leninist Komsomol. [Text] [Lisbon AVANTE! in Portuguese 17 Apr 86 p 4] 9805/12858

CSO: 3542/90

SUB INTRUSIONS AFTER USSR TRIP WOULD CAUSE CARLSSON PROBLEMS

Stockholm DAGENS NYHETER in Swedish 18 Apr 86 p 9

[Commentary by Sven Svensson: "Carlsson Looks the Russians in the Eye"]

[Text] Ingvar Carlsson has looked the Russians straight in the eye. Olof Palme's policy since the Social Democratic party congress in 1984--that dialogue is better than scoldings--was followed to the letter throughout the 4-day visit to Moscow.

Precisely as expected, Ingvar Carlsson stressed to the Soviet Union's new top leadership the demand that territorial integrity be respected.

Nothing has been said so far about the Soviet leadership's attitude toward the border violations. But it would have created a worldwide sensation if Mikael Gorbachev had suddenly admitted to deliberate Soviet violations of Swedish territory. The running aground in the Karlskrona archipelago was simply an isolated mishap.

One can always hope that Swedish-Soviet relations will continue to improve as a result of the top-level talks in Moscow. Such improvement is in the interest of Sweden, the Nordic Region, and Europe.

But now that the Moscow visit is over, it appears to be an unavoidable observation that further submarine intrusions would create serious problems for Ingvar Carlsson in the area of domestic politics. It could easily become an imperative necessity for him to show results in antisubmarine operations.

The typewriters are loaded in many quarters, and more submarine alerts in sensitive Swedish waters would make them quickly explode with lines of invective. Everyone knows now that the new Soviet leadership has been informed of the Swedish Government's views on border violations, and many people would consider it humiliating for Sweden to be subjected to new intrusions despite that. As a result, the government might quickly be compelled to use force of arms to bring an intruding submarine to the surface.

Since Olof Palme's assassination and the change of prime minister, the organization of Swedish security policy seems to have stabilized. As prime minister, Ingvar Carlsson has an obvious overall responsibility for security policy, whereas Minister of Foreign Affairs Sten Andersson sees it as his own absolutely prime duty to unite the Swedish nation behind traditional foreign policy and the policy of neutrality.

Sten Andersson's work has been successful. He was able to put a quick and effective damper on the Conservative Party's eagerness to fight by taking Carl Bildt (Conservative Party) into his broad embrace from the very first moment. There is also agreement now on putting together negotiations concerning the median line in the Baltic Sea, a subject on which the Conservatives tried to reap a party political benefit in 1982. And this year's foreign policy debate was consequently the calmest and most soporific in living memory.

Pierre Schori, under secretary of state for foreign affairs, who really had a difficult job in Lennart Bodstrom's time, has gotten more elbow room thanks to Sten Andersson's limited ambitions. Schori is therefore beginning to assert himself more and more as Swedish deputy minister of foreign affairs, even though doing so goes against Swedish tradition. As a rule, the under secretary of state for foreign affairs in Sweden's Ministry of Foreign Affairs has been a diplomat-official, not primarily a politician.

As acting deputy minister of foreign affairs, Pierre Schori was able in Moscow to sign the "Pippi Longstocking agreement" providing more money for Swedish authors. His antipole was the Soviet deputy minister of foreign affairs, Viktor Maltsev, and the event is said to have filled Schori with satisfaction.

Pierre Schori's ambition in the current situation seems to be to work with UN Ambassador Anders Ferm and Under Secretary of State Bernt Carlsson to promote Olof Palme's peace policy in the eyes of international public opinion. Those three individuals were all close friends of Olof Palme's, with an obvious base of support in the Socialist International and on the Palme Commission.

If, as Ingvar Carlsson said in Moscow, Sweden's borders are inviolable, that fact is going to cost money. The result is that Swedish border defenses must be improved or Sweden's prospects for backing up its words with force will be poor.

Obviously, therefore, the defense issue is going to cause serious conflict within the Social Democratic Party. More money for defense in the form of one more fighter squadron, airplanes, and new submarines will be at the expense of social welfare and the demands for international disarmament. A confrontation between the party's disarmament wing and its majority, which feels that the balance of security in the Nordic Region requires a strong Swedish defense force, seems unavoidable.

The story of the Swedish JAS fighter plane provides one proof of that conflict over goals within the Social Democratic Party. When they were in the opposition, the Social Democrats voted almost unanimously against the proposal, but a few months later, when they were in control of the government, they said that the nation's interests required that the JAS decision be implemented.

A reasonable degree of unity on the defense issue in the runup to Parliament's 1987 defense decision is therefore an important precondition if the current relaxed climate of debate surrounding Sweden's security policy is to continue.

It is on the defense issue that Ingvar Carlsson's ability to hold both his own party and the nation's interests together is going to be seriously tested.

The JAS issue, which is not one on which the Social Democrats have acted creditably, is one in which Ingvar Carlsson was never involved. It was handled by Olof Palme personally. In the coming defense negotiations, which will certainly have to be conducted among the party leaders, Carlsson will have the invaluable advantage of being able to start work with clean hands.

If the Moscow visit was a diplomatic test of strength, the defense negotiations will be an examination paper in domestic politics for schoolmaster Carlsson, especially if those negotiations are to be conducted to the accompaniment of more submarine intrusions.

11798
CSO: 3650/184

POLITICAL TURKEY

KOHEN URGES IMPARTIALITY, CAUTION ON LIBYA

Istanbul MILLIYET in Turkish 24 Apr 86 p 10

[Editorial by Sami Kohen: "Pray we do not meet!"]

[Text] The response of various countries to the U.S. assault on Libya evoked new examples of contradictions that are often seen in international relations.

Here are some of the examples:

Britain helped the United States to realize its air raid against Libya by allowing it to use U.S. bases on British soil. The fact that a country which did not favor even economic sanctions approved and even actively contributed to the dropping of bombs on Al-Qadhafi may, at first glance, appear strange and contradictory. It appears that for the British--as well as for other European countries--economic interests supersede everything else.

The same remarks can be made for France. Mitterrand did not want U.S. warplanes to fly over French territory on their way to bomb Libya. At first it appeared that France opposed such an attack "out of principle." But, as it turns out, the reason for the French reluctance to support this operation was different: Mitterrand was reportedly in favor of a well-organized and sustained military intervention that would remove Al-Qadhafi from power rather than minor hit-and-run operations.

It is ironic that France was the first country Libya congratulated and thanked for taking a stand against President Reagan. Meanwhile, Italy, which also received words of thanks from Al-Qadhafi, refrained from openly condemning the United States in its official statements.

The fact that Turkey was not among the countries Libya sent expressions of gratitude has been a topic of discussion in our press for several days. It is said that "had Ankara reacted more strongly on this issue we would have received the same message."

Foreign policy cannot be adjusted in accordance with the amount of gratitude to be received. As seen from the examples mentioned above, the side that is expressing gratitude does so out of its own interests. In international relations there is not much room for such emotionalism.

Furthermore, the reaction of many countries which are supposedly closer to Libya--such as Egypt, Tunisia, Saudi Arabia and Iraq--was not at all "strong." Many of these countries for some reason did not extend their reactions to the point of condemnation or reprehension.

Some of those who have been arguing for "strong" reaction from Ankara, point to Libya's support for Turkey during the Cyprus operation as grounds for such action. Others insist that such a stance would improve our stature in the Third World. (Let us not forget the anti-Turkish statements contained in the Cyprus segment of the statement issued after these countries' most recent conference in New Delhi.) Meanwhile, those who favor a "moderate reaction" support their arguments with Al-Qadhafi's failure to support Turkey on the Bulgarian issue, his assistance to separatists and his false allegations about Ataturk.

The truth of the matter is that these are not the factors that should determine Ankara's stance on this issue. This incident is a hot conflict that has the potential to spread and to assume international proportions.

If the objective is to keep Turkey out of this raging fire--and it must be--it is essential to avoid getting involved in or dragged into it. Naturally, it is not so easy to implement such a balanced and impartial policy. We can see the difficulties Turkey is having in doing that with respect to the Iran-Iraq war. Even so, however, Turkey is trying to pursue such a policy--and is actually pursuing it.

The continuation of the tension over Libya may create new difficulties and dangers for Turkish diplomacy. The status of General Rogers as commander-in-chief of both NATO and U.S. forces in Europe and Washington's tendency to use its bases in NATO countries for conflicts in regions outside the territory of the alliance has created risks that Turkey must watch very carefully.

As long as Ankara pursues an impartial, balanced and cautious foreign policy which is designed to keep Turkey from getting involved in disputes and conflicts that are not related to it, it will be able to remain away from these dangers.

9588
CSO: 3554/44

POLITICAL

TURKEY

TOKER SEES NO NATIONAL MOOD TO CHANGE CONSTITUTION

Istanbul MILLIYET in Turkish 24 Apr 86 p 8

["From Metin Toker's Notebook" column by Metin Toker: "Is Constitution Permanent or Temporary?"]

[Text] Constitutions are not a part of daily life. Generally, they remain stored on the shelf while life gets reorganized in changing ways and by changing standards in accordance with the conditions of the time. Until 1960, that is the way it was in Turkey. Under a single constitution we saw the creation and the dissolution of the Progressive Party as well as the birth and the death of the Free Party. Under this same constitution a strict as well as a not-so-strict one-party system found room to grow, Nuri Demirag formed his National Development Party and four like-minded friends introduced the Democratic Party into the political life.

This Democratic Party used this same constitution to initiate the practice of establishing "inquiry commissions" which was the beginning of the attempt to rape the multiparty system. Had the Democratic Party called for early elections when it was forced to end this practice, the government would have changed within the framework of that same constitution, and perhaps the new Assembly would begin work to draft a new constitution.

Because that is when the standards and the conditions would have assumed the proportions that necessitate the review of the constitution.

The Inonu governments of 1961 through 1965 did not have any complaints about the constitution even though those years were the most troubled period of the process of establishing democracy in Turkey. The constitution stayed where it belongs, that is on the shelf, and constituted the basis for the implementation of new laws.

After that, the constitution was brought down from its shelf and was made a topic of discussion in the day-to-day political life.

It is well-known now where that practice has taken Turkey to.

Is it possible to govern Turkey democratically with the current Constitution?

Yes, it is.

It is possible because the few restrictions it contains are not so significant or severe as to scuttle democracy as a system and a regime. Furthermore, some of those restrictions are temporary. When this constitution is placed before certain esteemed individuals after the prohibitions placed on them are lifted they will probably endorse it as an "ideal constitution." Thus, when it was suggested to former members of the Justice Party to oppose this Constitution because of these restrictions, they refused to comply with the suggestion saying: "Were these not the things we wanted and defended for years?"

The problems of individuals must not be confused with the problems of segments of society.

From another standpoint, those who have been criticizing the Constitution with regard to restrictions on rights and freedoms must have noticed that the limits have been expanding; they must not forget that they may be expanded further, and they must know that if they stay on the shelf many implementations will become impossible.

There were those who claimed that the conditions did not allow the formation of a socialist party and who tried to prevent the formation of such a party by others. Did not these individuals try to form a party of their own when they were left out in the cold?

It is evident that the Constitution is a very badly written complex and disorganized document which confuses principles, powers and concepts with each other. Forcing oneself to defend these would have no other effect that putting oneself unnecessarily in a difficult position. One should not even bother to say anything. When the time comes, the necessary changes will obviously be made through the processes prescribed by the Constitution.

In fact, those who most favor changes in the Constitution are the disciples who want to place their mentors at the head of their lodges.

The Constitution is far from being temporary simply because it does not cause discomfort in the daily lives of the masses and because it does not unsettle them.

It is a permanent Constitution.

The essence of the issue will not change with organized demonstrations. Furthermore, those demonstrations constitute proof that this Constitution has not shut off the avenues of seeking redress.

If the Constitution is to be reviewed through normal processes rather than the practices of 27 May, 12 March and 12 September such a mood exists neither in the Assembly nor in the Presidency nor amongst the people.

At a time when good and constant progress is being made on the path of democracy, to ask or to expect three-fourths of the Assembly to do an about face would be nothing less than an absurdity.

Furthermore, assuming that such a majority develops in the Assembly to make changes in the Constitution, to think that the President will refuse to submit the changes to the people's vote if those changes affect the foundations of the Constitution means not knowing the President.

In such a referendum today perhaps the 92 percent approval rate will not be found. In fact, it will definitely not be found. But no one with seeing eyes would doubt that the "no" votes to the changes will outnumber the "yes" votes.

That is why the President does not have to complain that he is "the only one left to defend this Constitution." Because he is not the only one left. What defends this Constitution is the nation's common sense which has not taken a vocal position because it does not feel the need for such a change.

Furthermore, there is no "expression of a new national will" before the first general elections. The Assembly that will be formed with those elections will be the direct representation of the the nation's will.

9588
CSO: 3554/44

IMPROVING ATMOSPHERE REPORTED AT COUNCIL OF EUROPE

Istanbul CUMHURIYET in Turkish 24 Apr 86 p 7

[Report by Hadi Uluengin]

[Text] Strasbourg--The issue of whether Turkey will become the session chairman of the Council of Europe [COE], which has been the most recent friction point in Ankara-Strasbourg relations, will most probably be resolved today. At a meeting to be held this morning among representatives of member countries, there will be a vote on whether Turkey will be given the title of Deputy Session Chairman to replace Liechtenstein; if this is approved the "Turkish question" will be virtually eliminated from the agenda of this European organization. Although normally the issue should have been resolved at the "unofficial" meeting of the member countries' ministers last night, the absence of the representatives of the Scandinavian countries, which are now "key countries," resulted in the postponement of the issue to today. French Deputy External Affairs Minister Bariani, Swiss Foreign Affairs Department Chief Aubert and FRG Deputy Minister of Foreign Affairs Molleman said in brief statements after yesterday's meeting that the issue of Turkey's session chairmanship will be voted on this morning.

Observers note that the decision of "pro-Turkish countries" to bring the issue to a vote stems from the fact that Turkey's chance of becoming the COE session chairman "is not remote." However, it is almost certain that two Scandinavian countries, Norway and Iceland, as well as Cyprus and Greece are opposed to Turkey's session chairmanship. In order for Ankara's session chairmanship to be approved, at least two-thirds of the ministers to be present at today's meeting must vote in favor. In other words, 11 countries must vote in favor and at most 5 countries must vote against it.

The approval of Turkey's session chairmanship will be a clear indication that the 21-member COE's stance toward Turkey has "softened."

Another indication of COE's "softening" toward Turkey will come from the debate to be held today at the Parliamentary Assembly. If the parliamentarians of member countries approve an assembly commission's recommendation that the Turkish issue not be included in the Assembly's agenda and endorse the Steiner and Stoffelen report, they will prepare the ground for not including the "Ankara question" on the agenda of this European organization for the first time. This will mean that the assembly agrees with the two parliamentarians' report that the transition to democracy in Turkey "is proceeding smoothly despite certain imperfections." According to observers in Strasbourg, if a last-minute "accident" does not happen the developments will proceed along this favorable course.

Another indication of the said "softening" was yesterday's decision of the COE's socialist group to attend the "mini assembly" meeting in Istanbul. After lengthy arguments among themselves members of the socialist group "conditionally" decided to attend the COE session to be held in Istanbul in June. Their condition essentially consists of a chance to meet with labor organizations and banned political leaders in Turkey. While British and French left-wing parliamentarians opposed the decision, the 39-26 vote in favor of the decision showed that the socialist group is also becoming "flexible."

Another favorable development in COE deliberations was the decision to allow for the first time NCTR [Northern Cyprus Turkish Republic] representatives to take part in the meetings of various political groups. A Turkish Cypriot delegation headed by NTRC Assembly Speaker Hakki Atun insisted on the need for their representation at the COE and said: "The Greek Cypriots have continually been asking for the withdrawal of the Turkish army from the island. However, the Greek Cypriot side can field an army of 100,000 if it wants to. We cannot have more than 15,000 men. The UN forces, on the other hand, cannot guarantee our security. We can see their failure in Lebanon." Observers have described the decision to allow Turkish Cypriot representatives to speak at political group meetings and the fact that the reaction of these groups was not "excessively negative" as a "notable" development and insisted that the suspension of Greek Cypriot parliamentarians' authorization documents at the COE two days ago is an "important indication."

9588
CSO: 3554/44

MILITARY DENMARK

LORD CARRINGTON ON VISIT DISCUSSES 'NONOFFENSIVE DEFENSE'

Would Weaken Forces' Mobility

Copenhagen BERLINGSKE TIDENDE in Danish 7 May 86 p 8

[Article by Nils Eric Boesgaard: "NATO Would Like to See Denmark Do More"]

[Text] The more we strengthen the joint conventional armed forces the better it will be for NATO, and the less we will have to base our security on the nuclear threat, Secretary General Lord Carrington said yesterday in Copenhagen.

"The Danish armed forces have reached a minimum numberswise. It is no secret that NATO would like to see Denmark do more. But this holds true for many other countries," NATO Secretary General Lord Carrington said yesterday at a press conference in Copenhagen before he flew home to Brussels.

"The more we strengthen our conventional armed forces, the better it will be for the alliance and the less we will have to be based on the nuclear weapons threat," he added.

The secretary general was on a two-day official visit to Denmark where he held talks with the prime minister, foreign affairs minister and defense minister. Yesterday he visited the BALTAP NATO headquarters in Karup and the Armed Forces Center for Leadership at Gurehus in North Zealand. Yesterday evening he flew back to Brussels from Vaerløse Air Station.

Among the topics which were discussed were the Social Democratic Party's and the other left-wing parties' ideas regarding a so-called nonoffensive defense system, which is to be made so toothless that no attacker would feel deterred by it.

"If both sides had a nonoffensive defense there would be much to say for it," Lord Carrington said.

"But to introduce it unilaterally would only have a very unfortunate effect. If one were to give up all one's mobility (the proposal assumes, among other things, the abandonment of fighter planes and armored forces), one would give one's prospective adversary advantages which he did not have before," the secretary general added.

Lord Carrington dealt thoroughly with the American offer of making chemical weapons available to NATO as a countermeasure against the 700,000 tons of poisonous gas and similar weapons which the Warsaw Pact has at its disposal.

Carrington pointed out that it was a question of weapons which would replace the ageing Americal chemical weapons which have been stockpiled for years in West Germany and which eventually will be able to be considered ineffective and unusable.

He declared that in his opinion it was appropriate to get new chemical weapons which can deter the Soviet Union from using its.

"Otherwise it can become necessary to resort to the nuclear threat, which in spite of everything is still worse."

The secretary general emphasized, however, that for the present it is just a question of an American offer to pay for, produce and stockpile new chemical weapons, and that any deployment of the weapons in Europe is to be negotiated bilaterally with the countries in which they would perhaps be deployed.

Paper Supports Carrington Comments

Copenhagen BERLINGSKE TIDENDE in Danish 7 May 86 p 11

[Editorial: "Defensive Ideas"]

[Text] Lord Carrington had presented to him in calm and tranquil phrases during the days he visited Denmark the Danish skepticism regarding the production and deployment of chemical weapons in Europe. The NATO secretary general thereby had confirmed the opinion he must have formed before his arrival.

For the government was quick to back out in the face of American plans for the deployment of a new generation of chemical weapons in Europe. The American justification for the need rests on the fact that the East Bloc in recent years has expended much effort on bringing up to date its arsenal of chemical military weapons. Although there for this reason can be good military logic in modernizing the West's stockpiles of chemical weapons, the mood in several European NATO countries is not to go through a new heated public debate about what will be interpreted by some as a NATO buildup. The memory of the so-called two-track resolution of 1979 and the difficulty the governments involved had in getting it secured is still clear.

However, the British ex-foreign-minister did get his opinion stated, although his chemistry in this area did not quite match the Danish. He could justify the American offer by saying that the decisive thing must be not to make oneself dependent on nuclear weapons as far as possible. For this reason

Lord Carrington must also look with skepticism upon the new Social Democratic idea regarding a nonoffensive defense. If the adversary would also introduce such a thing he would be able to see a little sense in it. Otherwise it would just make the world more unsafe, and in this matter he did not disguise his hope that the Social Democratic Party's defense ideas would come on the defensive.

8831
CSO: 3613/120

MILITARY FEDERAL REPUBLIC OF GERMANY

WEEKEND TRAINING FOR RESERVIST URBAN WARFARE SPECIALISTS

Bonn LOYAL in German Mar 86 pp 26-27

/Article by Manfred Werle: "Better Than Active-duty Troops--Reservists Show High Level of Operational Initiative in Urban and House-to-house Warfare"; first paragraph is LOYAL introduction/

/Text/ Twenty-three reservists from North Rhine-Westphalia recently left the Combat Troops School No 1 in Hammelburg with a course completion certificate of which they can be justifiably proud. They were the first to qualify, as squad leaders of a security squad, for the training of troops in "urban and house-to-house combat."

The "project" had begun in the fall of last year on the premises of a shutdown factory in Hagen in Westphalia. There, in cooperation with the Military District Command III and a paratrooper battalion from Iserlohn, the first training phase was carried out. The idea had come from Claus Jander, an architect from Bonn, a lieutenant colonel in the reserves and responsible for military development in the North Rhine-Westphalia land group of the reserve organization. Initially, the responsible officers were for the most part skeptical whether the attempt would succeed, and needless to say these doubts were also not dispelled by the reported number of course participants, who numbered 29, at any rate, in ranks ranging from private first class to reserve lieutenant colonel.

Hagen turned out to be a one-time undertaking, for because of protests from the population, above all the members of the Green Party, the course was moved to Hammelburg. This was doubtlessly a correct decision, for nowhere else are the prerequisites for this demanding training more favorable than in the Lower Franconian "Infantry School and School of the Territorial Army," as this training center of the soldiers wearing green collar patches, so rich in tradition, is subtitled.

The training personnel and facilities of the school, especially the two ghost towns "Bonnland" and "Hundsfeld," were created with this realistic training in mind. Whether he wants to or not, the observer does shudder somewhat when he sees how first the "pros" of the school present a training demonstration, and how the reservists as well, with great drive and military skill, then fight their way forward from house to house with weapons and equipment, fire, throw hand grenades, blow up fences, bark out commands, run, climb, and jump over obstacles.

The ranks play no role in all this, since the point of the training is to qualify the reservists who have completed the course to train other reservists--as close as possible to their homes--for a period of 2 years. Thereafter they must return to Hammelburg for refresher training and, if necessary, to acquire new knowledge. Needless to say, there is no pressure applied here. Yet anyone who views this training only as an end in itself has not comprehended the meaning and the quality of military development. It is now up to the organization and basic units of the Territorial Army to make good military use of the Hammelburg pilot project and the 23 graduates of the first course. The divergent reserve ranks of the instructors--as previously mentioned--should play no role in this. Among those qualifying, for example, were the following:

--a reserve lieutenant colonel of the Luftwaffe, a chief executive officer /Regierungsdirektor/ in the German Bundestag,

--a reserve sergeant first class, a postal official from Dortmund,

--a 45-year-old private first class (NCO candidate) from Bonn,

--an officer candidate of the reserves and student, and

--a reserve staff sergeant major pharmacist, 40 years old, who ran the best time (20.17 minutes) for the 5,000 meter run in the fitness test at the beginning of the course.

But the other 18, as well, listened with understandable satisfaction when Brigadier General Eberhard Fuhr, the commandant of the combat troops school, in the concluding discussion and the awarding of certificates to the participants, called the training and its results a terrific success. And Fuhr should know, after all, for he has good credentials in the area of reservist training and utilization. In the Ministry of Defense in Bonn, he was the responsible expert working on the reservist concept paper of 1980. The result achieved at that time was not to his satisfaction, as becomes apparent when he cites several maxims for an optimal use of reservists in the future.

In a conversation with LOYAL, centered around the "urban and house-to-house combat training" underway at the time, the general officer explained a number of elements which in his opinion were absolutely essential if one is to speak of a meaningful inclusion of reservists in the military organization of the 1990's.

Delegation of Responsibility

Fuhr is convinced that attempts undertaken in the 1970's with motorized infantry platoons and battalions failed because they were artificial, i.e. the element of the unit's own responsibility was missing. Everything was too rigidly tied to the Bundeswehr. An effective utilization of reservists can only be attained, however, if they receive independent tasks and--he added expressly--also sovereign tasks. In the process, the general, experienced in the territorial area, cited reasons and examples, of which only a few will be mentioned here. First of all, a system for the delegation of responsibility had to be created: In courses at his school, such as the urban and house-to-house combat just completed, the reservists are rendered capable of giving training on their own. For this to work, however, they must then pass their knowledge on at the grass-roots level.

At this point the general underscores the demand which the reserve organization makes of its members, whenever they--and particularly the officers and NCO's--become militarily active. The militia concept--always revived whenever defense organizations are discussed--is linked by Eberhard Fuhr in a small but very important aspect with the responsibility and independence of the reservists: The Swiss reservist has his weapon in his closet and thus has the most sovereign object that a soldier can conceivably have constantly at his disposal.

By comparison, who all has to be convinced and what all has to be done here before a squad of reservists can hold a firing exercise on a weekend.

Another very practical and vivid example: A battalion or company commander serves as a reservist in his mobilization specialty. Thereafter he sinks back into a civilian environment. In Fuhr's opinion, however, he must always feel himself to be a battalion or company commander, and if he thinks he should perform a service for his troops in the interim /between active duty tours/, he should have the authority to summon together his company commanders or platoon leaders for conferences, for example, so that, on his own authority, all necessary coordination can be accomplished with the command personnel already before an exercise begins.

Civil-military Cooperation

Another thought could also be discussed sometime in the foreseeable future, namely whether 3 months of basic training are sufficient initially for recruits in the Territorial Army, to which, to be sure, two reserve training exercises are added each year which bring their total training commitment up to the level of the other conscripts. And the former commander of a home defense regiment presents yet another of his ideas, which could be classified as civil-military defense. When a security company secures a river bridge (military), it can for example also take over the transfer of refugees (civilian).

These and similar ideas were already included by Fuhr--and here he reacts somewhat gruffly still today--in his draft plan of 1980. But everything that pointed in this direction was deleted, he says. And yet precisely the 23 reservists from North Rhine-Westphalia exemplified with how much motivation and just plain enthusiasm they went about their tasks in Hammelburg, for the simple reason that they had felt a challenge.

But must it necessarily be the most difficult thing imaginable in infantry warfare that is taught at the beginning of a new process in reservist training? Fuhr: "Nothing is more difficult than conduct in combat with live ammunition. But this is what these reservists will be capable of at the end of the course." Additionally, under the impression of the activities taking place between the ghost houses, he opined: "I am going to prove here that demanding courses are also possible for reservists. Given the motivation of these people, I achieve optimal training in a minimum of time."

Part of the course received their "license" after three, and another part after two, weekend exercises.

And S-3 Winfried Laske, a major and a specialist in urban and forest warfare training, adds an example from the current course: For overcoming wire obstacles ("one looks like a pig afterwards"), three volunteers were needed. Eight stepped forward. He had never experienced such a thing with active-duty troops, Laske related, despite the fact that 35 infantry battalions passed through his hands each year. School commandant Fuhr is now striving for a hand-to-hand combat course for reservists, which is to run on weekends and is to end with the awarding of an insignia to be specially created for the purpose. The instructors at his school, already being used to near-capacity, will hear this with mixed feelings. On the other hand, if the military development of reservists is taken seriously, if training facilities such as the combat troops school are to offer their "know-how," then these should also be appropriately staffed. Nothing can be accomplished in this area with halfhearted efforts.

12689/12228
CSO: 3620/681

BORDER GUARD DECIDES ON FRENCH SUPER PUMA HELICOPTER

ASW, Rescue Missions

Helsinki UUSI SUOMI in Finnish 3 May 86 p 11

[Article: "French Super Puma for Sea Rescue Helicopter"]

[Text] The Border Guard will acquire French Super Puma helicopters for its new rescue equipment. This year's first supplementary budget also includes a decision for the procurement of two helicopters to replace the Soviet-made Mi-8 helicopters. In addition to the Super Puma, Italian-made Agusta Bell 412 helicopters, of which one is already in use and another has been ordered, will be used for rescue missions.

The AS 332 Super Puma ranked above the others in order of quality when the so-called Temmes committee made its proposal 2 years ago for the procurement of rescue helicopters.

The manufacturer, Aerospatiale, states that the range of the Super Puma is a little under 500 kilometers. At maximum weight the helicopter weighs 8,600 kilos and in addition to the crew is able to transport 27 passengers. In rescue missions the crew numbers 4--5, of whom one operates the winch and one drops into the sea to help those being rescued.

For the first time the Super Puma will have equipment and capabilities which are needed in rescue operations. Its winch will be capable of hoisting two people at a time. In addition, the winch operator will have at his disposal an automatic device by which he can regulate the movements of the helicopter in rescue operations.

Under Water Surveillance Also

The Super Puma can also be equipped with sonar equipment, by which the movements of submarines can be observed. So far Finland has not had such a system. Indeed, ships are equipped with sonar, but a helicopter can follow a submarine at a speed tens times greater than that of a ship.

Two helicopters, of which one will be delivered at the end of next year and the other in the beginning of 1988, will be procured with the 110 million in the supplementary budget. Both helicopters will be deployed in Turku.

The Agusta Bell 412-helicopters, which are originally American helicopters manufactured under license in Italy, can also be used for less difficult sea rescue missions. The second such unit, which will be put into operation next year, will be located in Helsinki.

In its report the Temmes committee proposed that sufficient readiness and the training of crews require three medium weight and three light weight helicopters. Lieutenant Colonel Martti Pakarinen, chief of the Border Guard's Flight Section, says that now there is no information on additional helicopters, but in the future the Border Guard will propose the procurement of additional helicopters.

Problems With Soviet Mi-8

Helsinki UUSI SUOMI in Finnish 3 May 86 p 11

[Commentary by Jukka Knuuti]

[Text] When the Border Guard receives its first Super Puma at the end of next year, it will be 8 years since the event which can be considered as the impetus behind the procurement of rescue helicopters.

At that time the Malmi ship sank in the Baltic Sea. The majority of its crew was rescued by a Swedish rescue helicopter, but some of the people drowned.

In Finland a hastily assembled work group proposed the procurement of Soviet Mi-8 helicopters. Pilots in the Border Guard considered this helicopter to be unsuitable from the very beginning. But the decision was made anyway since these helicopters could be acquired quickly and no additional personnel were needed for their maintenance.

The first Mi-8 equipped as a rescue helicopter crashed on a test flight. The accident was the result of human error. But the helicopter sank and one of the crew died because there were no emergency pontoons.

The Temmes committee appointed after this incident made its proposal 2 years ago. Last year's budget included 100 million for this purpose, but only 15 million were used for one light helicopter. The remaining 85 million were dropped from the budget since no decision was made on their use. But now it would seem that this issue is finally in order.

10576
CSO: 3617/111

MEASURES TO PROTECT ARMS INDUSTRY

Athens TA NEA in Greek 22 Apr 86 p 18

/Report by Loukas Dimakas/

/Text/ The issue of co-production of the TOMP /Armored Personnel Carrier Vehicle/ for the needs of the Greek armed forces will come to an end in 45 days.

Deputy Minister of National Defense Tasos Sekhiotis stressed yesterday that "whatever decision and choice is made by the staffs is a political one and a big construction role will be given Stayer-Hellas."

Mr Sekhiotis said that a coordinated effort is being made by the Ministry of National Defense to strengthen and develop the domestic war industry and he dismissed concerns of workers in this industry that they do not have work.

Specifically, Mr Sekhiotis mentioned that he has given orders to the staffs and to the YPOVI /War Industry Service/ to decide in 45 days on the selection of the TOMP "regardless of what their choice is:" either "Leonidas" or any other one. He added, "I regard it as inadmissable that this matter be held in abeyance. From the ministry's standpoint the political decision is to give a significant construction role to Stayer."

It should be noted that in this specific instance there is competition between "Leonidas," that is built by plans of Stayer-Austria --some 110 such vehicles had been built 3 years ago-- and others primarily the American M-113. According to TA NEA's information, the order will be "shared" and part of the TOMP will be built in Greece.

Presenting data on efforts to support the EAV /Greek War Industry/, Mr Sekhiotis mentioned the following:

- PYRKAL /as published/ has assured work for 5 years.

- EAV received work this year from NAMSA ("a partnership" of NATO member countries) amounting to 1 billion drachmas. It has been charged with building a special weapons system using laser beams that was designed by the Military Air Force Research Center (32 million drachmas have already been allocated to this project).

- Competitive bids have been announced for the manufacture in Greece of 150,000 gas masks for the needs of the army. Also, the production of special protective uniforms is expected to be announced shortly. With regard to the gas masks, the program is of 5-years duration and a sum of 500 million drachmas will be allocated each year.

- A 5-year program involving many billions of drachmas has been approved for Stayer. Of this amount, 500 million drachmas relate to regular vehicles and 2 billion drachmas for the development of a military jeep (with the cooperation of Mercedes).

- Large credits are expected for Greek shipbuilding firms (state and private). Included in the projects will be the construction of fleet auxiliary vessels.

Mr Sekhiotis said, "Every consignment has a guaranteed Greek added value of 40-60 percent."

Moreover, through a series of measures the small and average-sized war materiel business firms will be strengthened.

5671
CSO: 3521/144

MILITARY GREECE

MILITARY VEHICLE INDUSTRY IN TROUBLE

Athens MESIMVRINI in Greek 3 Apr 86 p 2

/Text/ Salonica, 3 April--Stayer-Hellas showed losses of 1,200 million drachmas in 1985 while at the same time it has a problem in getting financing from banks. Prospects for its 920 workers are not good. The sudden drop in military orders, lack of planning and indifference on the part of management has resulted in the declining financial and production course of the Greek firm that was established in 1972.

The above statement was made at a press conference yesterday by Stayer-Hellas' Technicians and Employees Union administrative council held in the offices of the Salonica Labor Center. The subject of the press conference was "the firm's situation, worker proposals and positions for its further development."

In the meantime, in a show of protest, Stayer's employees have proclaimed a 4-hour work stoppage next Tuesday.

Noteworthy, of course, is the statement made by its adviser, Mr Lambrou, on 20 March 1986 and that was mentioned during the press conference, namely that if the firm could not prosper it would shut down. "The choice is either Stayer will prove itself in the next 3 years or else it will shut down."

Characteristic of the situation is the example of the drop in the number of orders for military jeeps which initially amounted to 18,000 but have gradually decreased to the present 420.

A second example was the initial order by the GES /Army General Staff/ for 38 buses of which only 10 were finally handed over at a price greater than other companies.

An attempt was made to make the union's proposals known to the Ministry of Industry.

At the press conference the following was stressed: "We condemn the indifference of Ministry of Industry officials because the meeting we asked for was not accepted. Despite this we propose the following:

"Worker participation in operating the company.

"The plan to build the Leonidas tank should continue forthwith since, according to information, those that have been built by the firm and procured by the Greek Army meet its needs and are superior in comparison with others of other multinational industries.

"Creation of a committee composed of specialists from the ministries of national economy, industry, national defense, interior, commerce and agriculture as well as the Ministry to the Prime Minister. The committee's objective would be to categorize and prioritize the needs of the Greek state in every type of wheeled vehicle, always, of course, within the context and fields of activity and control of the above-mentioned ministries.

"Examine on a long-term basis the creation of a national vehicle industry authority with Stayer-Hellas being the focus.

"There should be an administrative and managerial check to determine the errors committed and to assign possible responsibility."

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MILITARY NORWAY

DEFENSE RESEARCH INSTITUTE CONCENTRATING ON ASW, SIGNALS AREAS

Oslo AFTENPOSTEN in Norwegian 25 Apr 86 p 9

[Article by Cato Guhnfeldt]

[Text] Develpment of methods to detect foreign submarines, equipment for military communications on several levels, and the Norwegian Penguin missile are among the main projects at the Defense Research Institute (FFI) in Kjeller. An operation with "only" 500 employees and a budget of 140 million kroner, it is nevertheless on the cutting edge of global technology--in its areas of specialization. FFI was created by a parliamentary resolution on 11 April 40 years ago. This event will be celebrated today by FFI employees and representatives of the top military leadership.

Although FFI is a civilian institution, its work is comprised of research, development, and testing of military equipment. Its headquarters is in Kjeller, but there is a smaller division for underwater defense in Jorten. Although FFI concentrates on military assignments, the "Kjeller technology" has also been of benefit to civilian society, since it has been used in various products. One example from recent years is the Norwegian automatic telephone exchange that has also enjoyed some success on a global basis. Another example is the highly efficient wood-burning stove. Many ship's captains can also thank FFI for the technology it has been developing for many years in connection with sonar equipment for the fishing fleet.

"Our most important task in today's society is to make sure that the Norwegian military understands and applies results from the latest technological developments," FFI director Erik Klippenberg said. "FFI is involved with the technology of tomorrow and wants to develop materials that are suitable for the Norwegian military and for use under the natural conditions found in Norway. This brings up special requirements that we must always consider in our work," Klippenberg said.

Development of the Norwegian Penguin air-to-sea missile is a major task for FFI in its anniversary year. The missile is now in the testing stage. The project is right on schedule and cost overruns are insignificant. Top FFI leaders believe that the Penguin has the potential of becoming a worlwide success.

Another interesting development task involves defenses against foreign submarines.

"We believe we have reached some promising conclusions in several areas. Some of the new equipment has been tested, but much testing still remains," Klippenberg said. "We are also developing electronic equipment for airplanes that is intended to interfere with enemy radar. We are also working on new protective clothing, gas masks, and fuel cells. It may also be mentioned in this connection that last year's Norwegian Mount Everest expedition successfully utilized a so-called person-warmer that was developed here at FFI."

This evening when over 300 of the company's employees sit at the banquet tables in Kjeller, joined by defense chief Fredrik Bull-Hansen, undersecretary Svein Hammerstad, and others, most of the speakers will probably dwell on what FFI has already achieved. The most exciting aspect of FFI's work, however, has to do with the future. Laser technology, fiber optics, and much more may be mentioned as key words.

"Our most important tasks for the future will probably involve information technology and equipment for detecting and watching military units and personnel," Klippenberg said. Another important area will be new guidance equipment for various weapons systems.

9336
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ARMED FORCES, DEFENSE MINISTRY VIEWED BY INFLUENTIAL WRITERS

Personnel Cuts Advocated

Lisbon SEMANARIO in Portuguese 3 May 86 p 16

/Article by Jose Miguel Judice/

/Text/ The speech that the Armed Forces Chief of Staff decided to deliver on the occasion of the commemoration of 25 April--which from several aspects was worthy of more or less concurring and more or less dissenting comment--did not pass unnoticed by those who are interested in the Portuguese political situation. In my case, I was particularly sensitive to the argument that the appropriations of the Portuguese military in 1986 are comparatively the lowest since 1910.

I do not know what basis General Lemos Ferreira used to make that comparison but, in my opinion, I believe it should be inferred that it is perfectly normal that it should be so; that is, that the appropriations allocated to defense in Portugal in 1986 should be substantially lower than what has occurred in previous years. I say that despite believing that it is indispensable that Portugal not become a Costa Rica, without an army, and that we have interests to defend for which the existence of the military is indispensable.

The problem is that, according to data that I have not seen denied, the greatest percentage of the expenditures of the armed forces is applied to the payment of personnel, to the point where, in the case of the army, about 80 percent of the budget goes to salaries. At the same time, it has been stated without refutation that Portugal's defense expenditures in relation to the national product are comparable to those of countries facing situations of a similar military nature.

So, if that is so, the question of the military budget is above all a question of the cost-effectiveness of resources, especially of human resources. What I mean to say is that the only way to have money for investment in defense without thereby relegating scarce resources that inevitably have to be withdrawn from productive investments is substantially to reduce the number of military personnel, surely oversized for the realities of a country that has ceased to have a multicontinental territory over which to exercise sovereignty and that has become comprised of a concentrated and reduced territory.

To equate the question in other terms, as for example to infer from the allocation of 80 percent of the army budget for salaries that more money is needed, and not that we need fewer generals, colonels, captains or sergeants, is completely to invert the equation. Portugal is a country that does not have direct military issues, whose borders are not threatened, that does not have territorial disputes or secessionist movements, that does not have a policy of intervention in other geographic areas. Consequently, it does not make any sense for us to continue to opt to maintain the weight of an army of territorial occupation laden with personnel, out of simple inertia, to the detriment of technological investment or of the special importance that should be given to the navy and the air force which, indeed, do have missions to perform with reference to the territorial waters and the Exclusive Economic Zone (and with membership in the EEC, even that can be equated in various terms).

It will be said that the armed forces perform important missions and that the barracks compounds are desired by the local governments and are the source of regional development, just as many other undoubtedly reasonable and fine things can be said. Except that that is manifestly not the problem. The resources are scarce and it is impossible to think that a small country in serious financial crisis, with accrued deficits and limited commitments can have a navy equipped with sophisticated maritime protection and control assets, an air force equipped with modern planes capable of exercising the same control function, an army loaded with staffs, structures for intervention in the NATO organization, and barracks all over the country with high maintenance expenditures. We cannot have all that; it is necessary to choose.

Hence, it is just as necessary to face firmly and with determination the issue of the state-controlled communications media (since it is inconceivable that the state should sink taxpayers' money to maintain newspapers that should be paid for by the readers and advertising, as in the whole Free World); similarly, the issue of the industrial public enterprises (since it is unacceptable that, in order to insure several thousand jobs, it should be necessary to divert scarce appropriations coming out of the pockets of hundreds of thousands of workers); similarly, the issue of armed forces personnel expenditures, putting an end to the inflation of ranks, of frigate captains without a frigate, of brigadiers without a brigade, hundreds of officers with dubious positions in terms of priority, as if Portugal continued to be at war, as if Portugal continued to have military challenges, as if Portugal continued to have a territory of many hundreds of thousands of square kilometers to defend.

It is clear that the problem in the armed forces is basically the same as that in the rest of the public administration or the public enterprises. It is easier to cut investment than public consumption; it is easier to create a department and its chief than to abolish it; it is easier to restructure staffs, which invariably leads to an increase in the number of chiefs and personnel, than to reduce structures and dismiss personnel. But that invariability can only lead us to conclude that there has to be logic in all of this, and that the reformist effort cannot stop at the doors of the barracks, just as it cannot stop at the doors of the other thousands of buildings over which a weak state spreads its tentacles.

Above all, it is necessary to understand that the authority of the state and the idea of public service are only restored when each chief of each department ceases to be the chief of the lobby of parochial interests of that department and becomes the principal agent of the modernization and reform of the Portuguese state in the area in which he exercises his leadership position. The chiefs of staff are not the representatives of the military in relation to the central authority but are appointed by the political authority to lead the military. Just as the civil governors are not the representatives of the people in relation to the central authority but the delegates of the government at the district level. The reform of the state, the strengthening of state authority have much more to do with the clarification of this simple (and one would think, obvious) fact than many perhaps believe.

Defense Ministry Power Vacuum

Lisbon SEMANARIO in Portuguese 3 May 86 p 6

/Article by Marcelo Rebelo de Sousa/

/Text/ Military Demands and the Power Vacuum

In his article today, Doctor Jose Miguel Judice, incisive as ever, examines some disturbing signs of dissatisfaction by the armed forces--moreover, expressed publicly--with relation to the organs of sovereignty.

He concluded that the reform of the state and the strengthening of its authority have much to do with comprehension of the fact that the military leaders are the representatives of the political authority in relation to the armed forces and not merely the leaders of the demands of the latter vis-a-vis the supreme authorities of the state. Thus, the natural surprise with which he views a current crescendo of military demands, of which the speech of the Armed Forces Chief of Staff on the occasion of 25 April was a suggestive example.

An inevitable doubt emerges from these conclusions as well as from the careful analysis of the facts on which they are based, which is the logical corollary of the whole proposition: where is the minister of national defense?

Because it is not enough to have certain conceptions, certain expedients, some strategic positions for the military demands to assume the volume they are now assuming.

Like everything else in politics, it is the vacuum that allows or amplifies phenomena of that nature.

Good or bad, the image one has in Portugal at this time is that the Ministry of National Defense represents a huge and impressive political vacuum.

From the Expenditures to the Pirate Episode

Furthermore, the speech by the ranking military leader did not represent an isolated case, a fortuitous gesture, a political comet.

It has to do with a whole panorama that progressively gained expression in recent months.

It was undoubtedly the much talked about reduction of the national defense budget for 1986.

But it was also the dilatory episode of a clash between a unit of our navy and a foreign ship having come to the attention of the government 20 days after it occurred.

It was also the singular fact of a military leader having made odd comments not very supportive of the government in a parliamentary committee.

In general, it was the climate that was created in military circles, according to which the National Defense department is in fact reduced to demonstrations of "panache" and purposes of foreign representation, without the corresponding capacity for political and even administrative action.

The Neglected Legislation

In his unpromising context for 6 months of government, it would have been expected that at least national defense legislation could benefit from the contribution of a civilian with long political experience and recognized juridical merit. Alas.

In parliament, the debate on the legal regulation of the state of siege and the state of emergency would not have had any draft-bill from the government had it not been for the fact that the prime minister, considering the passivity of the executive irregular, put pressure on the latter and asked the Ministry of National Defense to draft it urgently. Because, until then, the ministry was apparently satisfied with the initiative of the parliamentarians.

As for other laws, it is better not even to talk about it: the definition of mobilization and requisition; reform of the military tribunals; recourse to the attorney general in matters of national defense and the armed forces; reorganization of the military factories; updating of the juridical regulation on maritime public domain and airspace; redrafting of the statute on military status, encompssing the situation of the armed forces civilian personnel.

And we have not mentioned the more complex matters of the revision of the Military Code of Justice and readjustment of the Regulation of Military Discipline.

Apparently it is not the fact of a minister being a jurist that transforms his ministry into a fertile producer of laws. Even less than that one lost swallow which does not a summer make.

Not a Very Flattering Balancesheet

In any European country, it would not be necessary to insert a caveat at this point, but in Portugal it is.

There is nothing personal in what we have written about the head of the department, the minister of national defense.

We have the greatest regard for him and even harbor the greatest expectations with regard to his ability to perform his respective duties, to the point of having strongly seconded the idea of his being invited to assume that government post, in February 1985, when we were still deeply involved in political tasks, and even being entrusted with the mission of undertaking the appropriate contact, which was not successful at that time owing to strong personal reasons on the part of the invitee.

Therefore, there is nothing to mar the relationship with the individual, just as there was nothing to cloud the complex of anticipation with which we awaited his political action.

It is just that the balancesheet for 6 months of government is not flattering, even though it is provisional.

Political circles point to the irrefutable effacement of the minister of national defense. Internal Administration, Foreign Affairs, even Finances (whether one does or does not much care for the minister's formal arrogance with a certain touch of overcome timidity) have proved to have ministers with a political dimension and of public importance.

In national defense, what stands out is the absence; what is accentuated is the nonexistence; what predominates is the weakness. Which becomes more evident in times of some international political-military ripple, when it is misunderstood that a minister of national defense should be a sort of Portuguese public relations man in NATO or a precise coordinator of the actions of the military leaders. Because in no country in the world is national defense something comparable to the Ministry of Fisheries, the Department of Commerce or the Subsecretariat of State for Sports: distinctions that are inherent in the idea of the state...

The Conscience of the Prime Minister

Naturally, in this climate, would not military rumblings, tensions, restlessness arise?

In politics there is no vacuum. We have reiterated that ad nauseum. New initiatives immediately take charge of filling it.

The minister of national defense does not concern himself with the preparation of draft-bills, so Parliament takes care of it.

The minister of national defense concedes to ask the legal services of one of the military departments to prepare essential regulations, so the military departments ask themselves what is the minister of national defense good for.

Because of lack of time or for reasons of personal inclination, the minister of national defense prefers to be politically and administratively self-effacing, so his subordinates begin to speak louder, to disseminate their complaints, to take his heat.

On top of that, the minister of national defense was also the deputy prime minister and leader of the second party of the coalition in the two previous governments. Although there were many complaints about his unavailability for three concurrent positions, the truth is that there are already many in the armed forces who are longing for those days.

Furthermore, formerly there was a secretary of state for national defense who absorbed the shocks, took care of administrative management, consulted the military leaders at length and systematically, and filled in the gaps, the absences, and the omissions of the minister. He was a patient and fulfilling alter ego.

Now the minister of national defense is neither a deputy prime minister nor even a secretary of state. Which by itself, while not decisive, diminishes the position.

Now there is no secretary of state to formally help him and naturally substitute for him. Which, while also not being a determining factor, makes his absence or effacement more manifest.

If, adding all this, the minister's political weakening is real, then no one should be surprised at or shocked by barbed speeches on the occasion of 25 April. The government is hearing what it deserves.

There remains a consolation and a half. A consolation--that the prime minister once again certainly understands what is happening and in his usual "one-man show" tradition is advancing to fill the breach. Thus, for example, the 3 million contos for gasoline for the military which he kept in his pocket as a palatable compensation for the vexations of a weakened minister.

A half consolation--Doctor Leonardo Ribeiro de Almeida has a political instinct, and political instinct demands that no one commit suicide governmentally speaking through carelessness or neglect.

Now that it has become manifest to many Portuguese that there is no minister of national defense, as a result of the speech by the Armed Forces Chief of Staff, Dr Leonardo Ribeiro de Almeida has plenty of time to do the obvious: to take effective charge of the position with which he was formally invested 6 months ago, trying to understand that not everything the military leaders say merits condemnation from the outset....

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MILITARY SPAIN

INSTALLATION OF ANTIAIRCRAFT SYSTEM DELAYED

Barcelona LA VANGUARDIA in Spanish 22 Apr 86 p 21

[Article by Pedro Conde Zabala]

[Text] It will take time before Spain's modern antiaircraft defense becomes operational because the Roland and Skyguard-Aspide missiles, purchased for 50 billion pesetas, are still pending delivery. This delay in readying the Spanish defense has returned to the limelight in the wake of the Mediterranean crisis.

Madrid--The recent Lybian-U.S. military conflict has increased the tension in the Mediterranean. Khaddafi's threats against Spain and those countries that could provide assistance to U.S. forces again raise the issue of the Spanish defensive systems, particularly the antiaircraft, already analyzed on the occasion of the NATO referendum and in connection with the Joint Strategic Plan (PEC), which was approved last year.

Through the Ministry of Defense headed by Narcis Serra, the Spanish Government has already approved budgetary appropriations exceeding 50 billion pesetas to improve its medium- and low-altitude antiaircraft systems, but it will be some time yet before the Roland and Skyward-Aspide missiles are installed in the south and east of the peninsula, and on the Canarian coast.

The same will happen with the improvement of the high- and medium-altitude Hawk and Nike missiles, as well as with the warning and control network, which will be made automatic and linked to NATO's Nadge.

On the other hand, the potential of the air force will remain precarious until delivery of the first F-18A's of the FACA Program, which will probably arrive in July. Fighter-bomber planes, warning system and low-altitude missiles were considered to be extremely urgent by the military commands, although evaluation problems, trade discussions and dearth of appropriations delayed their acquisition.

The Contract with Euromissile

During 1983-84, army specialists studied the possibilities of three models of low-altitude missiles: the U.S. Chaparral, acquired by Morocco; the

British Rapier, installed in Gibraltar; and the Franco-German Euromissile consortium's Roland, which was the one finally purchased.

The contract with Euromissile was signed on 25 October 1984 for the acquisition of 414 Roland missiles and 18 launchers at a cost of little more than 21 billion pesetas. Those were the official figures. Subsequently, there have been references to a total of 475 missiles and the original number of launchers, at a cost of 29 billion pesetas.

This purchase entailed an added value of 12 billion pesatas, and it was announced at the time that 60 percent of the missile would be comanufactured in Spain. But the deployment of the Roland is still months away.

As to the Skyguard-Aspide missile adopted for point defense--the foregoing was for area defense with mobile units--the governmental decision was made in October 1985, and 200 missiles and 13 launchers were purchased from the Italo-Swiss Contraves-Selenia consortium for a total of 21 billion pesetas. Those missiles will be preferentially installed in the proximity of the Mediterranean coast and the Strait of Gibraltar, areas of maximum interest. The compensation negotiated with the Italian Government amounts to 45 percent, and will entail an added value of 5 billion pesatas.

This missile was already known to the Spanish armed forces inasmuch as the army adopted the Skyguard air defense system for the fire control of the 35-mm Oerlikon antiaircraft gun. The navy already had the point defense Aspide for the second series of the "uncovered class corvettes. This missile is the most advantageous for the Spanish industry in the field of electronics.

The first battery will be delivered directly by the Italian Contraves. enterprise, and the remaining six will be assembled by the Bazan enterprise. It is foreseen that the seven Skyguard-Aspide batteries will be delivered between the first half of 1988 and the end of 1989.

Finally, the government approved in due time the outlay of 4,572 million pesetas to upgrade the 24 Hauk missile launchers, which together with the 9 Nike missile launchers constitute the high- and medium-altitude missile system of the Spanish Army.

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PARTICIPATION IN EFA PROGRAM PLANNED

Madrid YA in Spanish 24 Apr 86 p 14

[Article by Fernando Rueda]

[Text] Spain will spend 400 trillion pesetas during the next 8 years in the design and construction of the European fighter aircraft (EFA), a program in which Great Britain, Germany and Italy are also participating, all of them in a larger proportion than Aeronautical Manufacturing Corp [CASA].

The cost entails 100 trillion pesetas more than the price of the 72 F-18A's that the U.S. firm MacDonnell Douglas sold to the air force and which will start arriving next summer. The Spanish industry has formally integrated into the new enterprise that has been set up for this purpose.

This is the first time that Spain has actually planned its European defensive needs, included in the joint strategic plan, although specialists consider that participation in the EFA could bankrupt the air force, precluding it from acquiring any other type of materiel or armament if in future years a new government fails to provide a substantial increase in defense outlays, which currently does not reach 2 percent of the gross domestic product while it exceeds 4 percent in neighboring countries.

Nevertheless, if the current restrictive policy on military expenditures prevails, the CASA AX Program, whose feasibility study is being concluded, will have to stop. As announced yesterday by Fernando de Caral, president of CASA, it is possible to finance and build this new plane of the future which already has met with the approval of the industries of the sector in Germany, France and the United States, and which could be operational in 1993-95. The AX, like the EFA, is contemplated in the TEC, which is indicative of the precedence of its acquisition particularly at this time, in light of the experience of the Libyan conflict, which hinged on air power.

Going back to the EFA, it should be stressed that the desire of the Ministry of Defense is to have the industries of the aeronautical sector participate in the contract in order to undertake as readily as possible the 13 percent share that Spain has decided to assume, which, though the smallest portion among the four countries, amply exceeds the original commitment because of the withdrawal of France, which was not pleased with some of the characteristics of the fighter.

Morocco, Turkey, Qatar and Chile are some of the countries that have shown the most interest since they are present at the second holding of Cosmos, the aerospace and defense fair being held at the Gerona airport since Monday and until Sunday, whose difficult access has considerably curtailed the number of visitors.

In order to benefit the most from the fair, the Ministry of Defense has included the national enterprise Bazan and the manufacturers of materiel for the air force, taking advantage of the visit of Arabian and African secretaries of state and general directors of armament to display to them not only the air materiel, but also any weapon that can be exported.

The visit of Denense Minister Narcis Serra, scheduled for today, Thursday, has been postponed possibly until Saturday, when King Juan Carlos will visit the fair for a few hours. The postponement has upset the national and foreign exhibitors, who, when they decided to come to Gerona, counted on the support implied in the visit of the person that, in the final analysis, is the chief purchasing agent of the Spanish Government.

[PHOTO CAPTION:]

A frightful cost -- The amount of 400 billion pesetas that Spain will have to contribute for the construction of the future European fighter aircraft is considered by some experts to be a mortgage on the future of the Spanish Air Force.

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BOOK BY WILHELM AGRELL ANALYZES REASONS FOR SUB INTRUSIONS

Stockholm DAGENS NYHETER in Swedish 15 Apr 86 p 6

[Article by Anders Ohman]

[Text] The submarine intrusions directed against Sweden are one result of the fact that the big powers reappraised their entire military strategies as far back as the 1960's. Sweden's role in that game between the big powers was altered in such a way that the country presumably wound up inside the zone where the Soviets consider that they will have primary security interests in the event of a war with the United States and the latter's allies.

Those conclusions are drawn by peace and conflict researcher Wilhelm Agrell in a new submarine book entitled "Behind the Submarine Crisis" that will soon be published. According to the author, the book is an attempt to throw more light on the security problems represented by the submarine intrusions.

Wilhelm Agrell has interviewed various key persons and studied previously inaccessible material, especially material from the 1950's.

He feels that the occurrence of submarine intrusions along the Swedish coast is not something inexplicable or even remarkable.

"The idea that intrusions are something exceptional is based on normal Swedish logic, not on knowledge of the actual military activity that has been engaged in by the superpowers since World War II and the risks that have been accepted in situations of this kind," says Wilhelm Agrell.

From 1977 to 1979

Intrusions, including those by minisubmarines, have occurred sporadically throughout the postwar period. A crucial change occurred during the period from 1977 to 1979, when systematic underwater activity more similar to that of a task force began.

The Navy officially lists the Huvud Skerry incident in 1980 as the point in time when foreign submarines began to appear in a new and more provocative way.

The Soviet submarine U-137 went aground in Gase Bay in October 1981, and a Swedish debate on underwater intrusions has continued ever since. In the Hars Bay incident in 1982, the Soviet Union was pointed to by a parliamentary commission as the intruding nation.

Wilhelm Agrell says that the debate taking place since the U-137 went aground has been characterized by confusion and intense conflicts in which it has seemingly been possible to win support for every conceivable opinion.

Ignorance

"When discussion of the submarine intrusions began, Sweden's strategic location, like developments in the Nordic Region and the Baltic Sea area, had been attracting hardly any obvious interest for two decades. The result was that there was hardly any general knowledge in the government's innermost reaches of the historical and strategic context in which the intrusions should be placed in order to make them comprehensible," says Wilhelm Agrell.

Wilhelm Agrell told DAGENS NYHETER that the grounding of U-137 was unforeseen but was the chance event that changed the history of the world.

"It provided a scrap of knowledge concerning military activity and the deliberations that take place behind closed doors," DAGENS NYHETER was told by Wilhelm Agrell.

In all probability, the systematic submarine intrusions resembling the work of a task force were not intended to be discovered. The author says that the change in that type of activity during the late 1970's was part of a larger change affecting not only the Baltic Sea area but the entire Nordic Region and the surrounding sea areas.

Wilhelm Agrell relates that major strategic change to the "strategic imperative." New technology and new ways of making war are leading the big powers to define new strategic interests in other countries and regions.

"The groundwork for the current process was presumably laid as far back as the 1960's, but was misinterpreted in Swedish security policy," says Wilhelm Agrell.

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MILITARY

SWEDEN

LIBERAL PARTY MP: TRAIN FEWER RECRUITS, IMPROVE QUALITY

Stockholm DAGENS NYHETER in Swedish 17 Mar 86 p 3

[Op Ed Article by Hadars Cars]

[Text] "Train fewer recruits per year but train them well. Everyone else, both men and women, must receive training to be able to make a contribution to the total defense. This would reduce costs but increase the quality in the army's wartime organization," writes Hadar Cars, member of Parliament (Liberal Party).

Sweden's security policy situation has become more exposed in recent years. An expression of this is the repetitive submarine incursions. The north European and North Atlantic area is attracting greater attention from the superpowers. An arms build-up and military activities in the area have increased. The Defense Committee has also pointed toward the increased risk for surprise attack, and that the Nordic area could be affected already in the beginning phases of an open conflict between the blocs. In addition, the commander-in-chief maintains that our defensive capability compared to that of surrounding areas decreased progressively during the 1960s, which is also shown by the fact that our effective combat units have been greatly decreased in number.

Is Sweden Secure?

It is against this background that the 1987 defense budget will be estimated. It is therefore important that this budget will signify a turning point in the development that now threatens to create a harmful imbalance between the security policy demands on our military and on the military's ability to meet these demands. The issue is not only what the military may cost, but also how this must be shaped with respect to the changes which occur in our vicinity.

Both within the navy and air force there has long been a development toward easily maneuverable, high quality, and, as far as can be judged, less vulnerable weapon systems. This has still to a great extent occurred at the expense of the number of units.

In the army the development has been different. The number of brigades and other field units today is for the most part the same as it was 20 years ago. A certain modernization has come about, but not even our brigades with priority have completely satisfactory training and equipment today. For example, the infantry and Norrland brigades lack protection from shrapnel as well as AAA which can function in darkness and against aircraft at higher altitudes.

The brigades cannot count on much support from the helicopter units for combating armor and as transports, either. In addition, from an international perspective the soldiers receive very short training which all too infrequently allows the possibility for combined maneuvers in larger units, that is to say, units composed of different types of troops. According to the commander of the army, for economic reasons one has also limited maneuver activities even during the short time the soldiers are called up, which has led to gaps in training with "negative consequences for the units' utility in wartime."

At the beginning of the 1970s, the government lowered the demand that combat units should be comprehensively useful, so that in principle they only have to be able to accomplish their main missions. The demand that they should be directly prepared for deployment immediately after mobilization still remained. The short training period, suspended refresher maneuvers, and economic limitations in general have now led to the fact that not even this limited goal can be fulfilled.

In light of this, it is doubtful that the army could accomplish the tasks it would be up against in the case of an armed attack on our country. There is the risk that larger parts of our army combat forces will be in the wrong place at the wrong time and also would have insufficient training and equipment in the beginning phase of a war. Nonetheless, the very beginning phase is of the greatest significance in terms of our ability to ward off the attacker and limit the destructive effects of the war in our country. With respect to the situation now in effect and keeping in mind realistic economic conditions, it appears mandatory to evaluate more thorough changes in the military's continued development.

First of all, training must be improved. A serious limitation is the lack of training officers, which mainly is due to the fact that many of the best officers seek civilian work for different reasons. Therefore, special appropriations are needed so that competent military personnel will choose to stay in the military. This is a problem for all branches of the service. It is an unreasonable waste of resources that many well-trained officers leave the profession when they are needed in important positions both within the peacetime organization and in combat units. It is not less important to get and keep skillful combat unit commanders who can lead their units in an effective way and correctly use the often complicated and expensive material.

Just over 10 years ago the conscription period was reduced for most recruits from 9 to 7.5 months. Since then, this has had such negative consequences on training that one must now seriously consider reinstating for many of the recruits the training periods previously in effect. Even 9 months remains a short time in comparison to the periods adapted in many other countries with a conscription system.

Furthermore, the training system must be changed so that there continuously will be units who have come so far in their training that they can be deployed upon a surprise attack to, for example, tie down airborne or advance sea-landed forces until the mobilized field units can attack. This means that the training units must be sent to the units organized for wartime during the latter part of their training. The continued training must then mainly come about in the form of adapted combat unit maneuvers, with emphasis placed on the areas where the risk for surprise attack is judged to be greatest. The months when such units on alert cannot be organized within the framework of basic training, refresher maneuvers must be carried out.

Many reasons speak for such a change in the training system. Mainly, we must perceive more than before the increased risk of surprise attack. This was maintained already in the 1982 defense budget and has again been emphasized by the defense committee currently in session. This does not mean that an armed attack against our country would come like a lightning bolt out of the clear sky. However, if war comes, it can very well come unexpectedly in the sense that we were not able to mobilize military forces and were not otherwise able to adapt society from peace to war. The risk is great that signals and signs of preparations for attack against us will lead to essential decisions not being made in time due to incorrect interpretations, delays, an inability to decide, foreign pressures, and perhaps even an unwillingness to contribute to the escalation of an already tense situation. Therefore, the training system must be changed so that we even now attain greater basic preparedness for all types of situations. An additional reason for basic training in wartime-organized units is that in this way increased possibilities for combined maneuvers between units from different types of troops are attained. Furthermore, the recruits would surely feel stronger motivation if, even during the later part of their basic training, they could be inserted into units with real missions to solve in the event of a surprise attack against our country.

In the meantime, it is not only training which needs to be reformed. Our prioritized infantry and Norrlands brigades must, for example, also receive increased operative mobility through different forms of shrapnel protection and more effective AAA. Very soon, the issue of the army's continued mechanization must also come to a satisfactory solution.

The proposals which have been put forward cannot be carried out without increased costs. It should be possible to cover those partially increased defense appropriations, but quantitative reductions probably also will be essential.

One possibility for reducing costs in order to increase the quality in the army's wartime organization would be to only provide basic training for the recruits going to the prioritized units, that is, the 20 modernized brigades as well as the divided units and others who are needed in order to lead and support them. With the change of personnel within these units over the course of 8 years, the army would not need to newly train more than about 25,000 recruits per year, as compared to the current 38,000. The infantry brigades which are not modern--if these must remain--as well as local defense units, would with few exceptions be manned with personnel who would be transferred from the prioritized units afterwards, that is, when the recruits are about 28 years old. They would remain in these units thereafter, until they attained the age of 36 to 40 years of age, when they would suitably be transferred to guard units or units with special watch missions. There they would then stay until they turned 48 years of age, when they are no longer recruits. This means that the army's wartime organization would be somewhat less than is now the case, but it would get significantly higher quality as well as personnel and material, especially with respect to the prioritized units.

If fewer recruits are trained, the costs are reduced for recruit benefits, maneuvers, etc. Also, the costs of administration, facility management, etc., would decrease. When the recruits are grouped together after 5 and 5 and 1/2 months' training into special wartime unit garrisons, two classes of recruits should also be trained annually at every peacetime unit. In such a case, this would open up additional possibilities for saving money in the peacetime organization, money which could be used to improve training and acquire new material for the prioritized units.

Does this then mean adopting a position against the principle of general conscription? The answer is no. This principle is of great significance in attaining broad popular support for the military. It is therefore also a gap in our current system that conscription only encompasses male citizens, while women are left outside. The military must be a concern which affects us all--men and women. We must all take part in defense, everyone according to his ability and with respect to the needs which remain within the entire total defense.

This is an important principle. In contrast, it is of less significance whether or not all men receive military training. What must then happen is that the general conscription be expanded to a general total conscription for women as well as men. All citizens, when they reach the ages of 18 to 20, must learn what they can do to protect themselves and others in the event of war, for example, in an air attack. Everyone must also receive basic training on the total defense--not least of all on psychological warfare, which we can find ourselves up against--and on the measures which must be taken in the event of mobilization and war. Such training can be provided within the military defense to those who are called up to military service, and within the civil defense to those who receive their main defense training there. For others, this basic training should come about in special sequence.

The basic thoughts are as follows: No one shall be left completely outside of society's preparations for our defense. Everyone must therefore receive a certain total defense training and must know what they can and shall do if war comes. For the special training which is needed for different wartime positions within the military as well as the civilian parts of the total defense, those must be selected who are most suitable for the respective positions. In the meantime, such training should not become a personal object. It must therefore not encompass more than what is needed to be able to accomplish the different missions of the total defense.

12562/12766
CSO: 3650/160

MILITARY

SWEDEN

BRIEFS

WORLD'S FIRST FEMALE CHAPLAINS--The defense staff is now trying to recruit female chaplains as field chaplains and therewith Sweden would become the first in the world to have them. In the Swedish wartime organization about 800-850 field chaplains are included, or approximately 1 per battalion. The recruitment need is now 35 to 40 field chaplains per year. The defense staff hopes that sometime next year the first female field chaplains can take part in a refresher maneuver. According to the Geneva Convention field chaplains are issued a pistol, which still must be used only in self defense. [Text] [Stockholm DAGENS NYHETER in Swedish 16 Mar 86 p 18]12562/12766

CSO: 3650/160

ECONOMIC DENMARK

INDUSTRY ORDER BOOKS IN GOOD SHAPE DESPITE SLOWER GROWTH

Copenhagen BERLINGSKE TIDENDE in Danish 7 May 86 Sect III p 10

[Article by Vøgg Løwe Nielsen and Kristian Hjulsager: "Good Order Situation"]

[Text] There is still talk of especially good activity in Danish industry.

Industry's order and sales situation is still developing favorably though the growth is hardly as strong as in the second half of 1985.

The construction and plant sector is in a period with an especially positive employment development, and the considerable growth in this sector is reflected in the production progress in, among other things, bricks, clay and the glass industry.

Industry

Industrial firms expect a considerable growth in production and the receipt of orders in the present quarter, whereas the employment level is expected to be fairly unchanged.

Growth expectations are greatest within the intermediate products industry as well as the consumer goods industry, whereas the investment goods industry expects a more moderate advance in production and the receipt of orders.

At the start of the quarter there was talk of especially good utilization of production capacity in all branches of industry. There is talk of insufficient capacity in parts of, especially, the consumer goods industry.

If industry is looked at as a whole, it was a question of the fact that 16 percent of firms--viewed in relation to their importance employmentwise--at the start of the present quarter indicated that they had production capacity which was more than sufficient, while 9 percent indicated that their production capacity was not sufficient, and, accordingly, 75 percent indicated it as sufficient.

Construction and Plants

Firms in the construction and plant building sector expect a pronounced rise in employment in the April quarter.

Weighed in relation to their importance employmentwise, 48 percent of firms expect increasing employment, while only 8 percent expect declining employment. It is especially in connection with plant building workers that a pronounced advance in employment is expected.

The main results of the Danish Statistical Bureau's latest studies of firms' assessments of progress in the state of the market are presented below.

The results are based on assessments for a good 1300 major business firms.

Accordingly, included in the study are about 700 major industrial firms which together employ about 60 percent of those people employed in industry, as well as about 650 of the larger construction and plant building firms representing a third of the total number of those employed in the construction and plant sector.

Production and Investment

	Latest	Level	Change percentagewise*	
			One month over one year	Three months over one year
Industry (excluding shipyards), fixed prices, 1980 = 100				
Sales	Feb 1986	119	5	5
Receipt of orders	Feb 1986	121	2	4
Orders on hand	Feb 1986	145	13	14
Construction, 1000 square meters				
New building permits	Feb 1986	536	14	9
Construction begun	Feb 1986	398	1	13
Housing construction begun	Feb 1986	119	7	45
Newly registered vehicles, number:				
Larger delivery vans	Mar 1986	2211	45	51
Trucks	Mar 1986	1139	16	22

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*"Over one year" expresses the percentage change for the last month as compared with the same month of the year before. "Three months over one year" expresses the corresponding change on a 3-month basis.

Main Trends

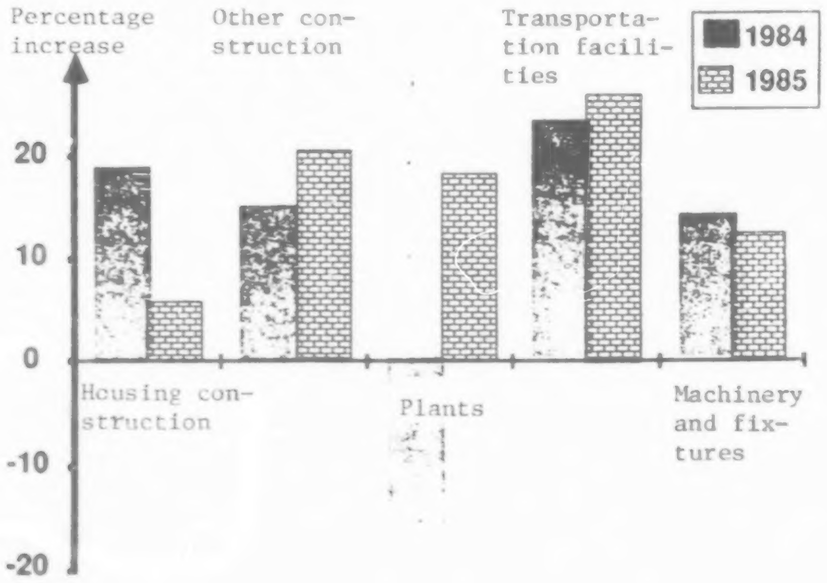
Industrial firms have a high utilization of production capacity. In the consumer goods industry for many firms it is a question of insufficient capacity.

The construction and plant building sector expects considerable growth in the level of activity. Employment is expected to grow for both construction and the plant building sector.

All construction branches have a shortage of skilled manpower, and some also have a shortage of unskilled.

Investment in new trucks and delivery vans for industry is setting a new record in 1986.

Growth in Fixed Gross Investment (1980 Prices)

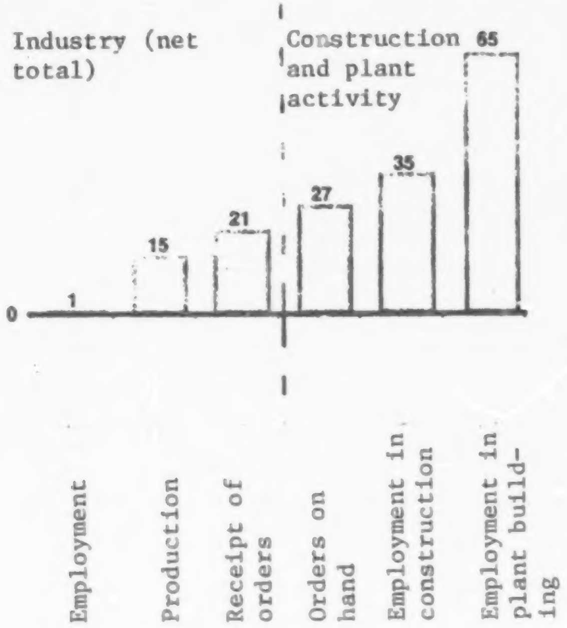


All items of investment showed growth volumewise in 1985. In 1984 there was a drop in plant investment because of lower investment in the gas and oil sector.

The Second-Quarter Chart

The main results of the studies for the second quarter are presented in the chart below.

Expectations for second quarter, as compared with first quarter, of 1986



Firms in the construction and plant building sector expect considerable growth in employment in the present quarter. Industry expects considerable growth in production and the receipt of orders with an unchanged employment level in the quarter.

In the chart the expectations of firms for the second quarter of 1986 are divided between production, employment and receipt of orders, etc.

Expectations are expressed by a "net figure," i.e., the difference between the share of those firms questioned which expect an increase and a drop, respectively, in the individual quantities.

8831
CSO: 3613/120

MINISTER DISCUSSES PRIVATIZATION MEANS, GOALS

Paris LES ECHOS in French 30 Apr 86 pp 2-3

[Interview with Camille Cabana, ministerial delegate in charge of Privatization, by Jean-Michel Lamy, Didier Duruy and Nicolas Beytout: "We Will Resort to Controlling Blocs To Avoid Unfriendly Takeover Bids"; date and place not given]

[Text] Privatization is a much more complex operation than the brutal act of nationalization. A basic observation which the government considers a little more every day. The first discussions, in committee, both in the National Assembly and in the Senate, have demonstrated this very well. It is as delicate to find good concrete modes of making the operation a success as it is easy to display great principles and draw up a list of companies to be returned to the private sector.

In the interview granted to LES ECHOS, Camille Cabana, ministerial delegate in charge of Privatization, emphasized the multiple elaborate precautions the government wants to take. The assessment of the titles? A committee of wise men will arrive at a just price. He specified that the administration will surround itself with outside advice. There is no anxiety within government circles about the financial market's capacity to absorb. The objective between now and the end of the year is to limit oneself to a single significant privatization. And to the extent that the potential buyers are numerous, they assure us that the paper offer will make it possible to calm down the game.

On the other hand, the way shares are sold to the public will require a great deal of diplomacy. Accusations of racketeering will flourish. Thus, the minister specified that each enterprise will have the right to a specific treatment. About 60 companies are involved. Each time the role of the political power will be to discover good buyers based on synergies and a national or international development strategy. Hence the central idea of "a controlling bloc" to help in sorting things out. As a matter of fact, those controlling blocs could be sold at a higher price than the scattered shares.

The process of denationalization will also have to overcome a number of obstacles. Specifically the tricky question of control of foreign participation. A regulation should set the maximum at 15 to 20 percent. The effect of public opinion is also important for the transition to small shareholders.

Even though for a few years now the French have become more familiarized with the stock market mechanisms and are more willing to invest their money in shares, the country is far from being as receptive as Great Britain for example. Hence, government work on the idea of participation will be essential.

But in the immediate future, the government will have to overcome the inevitable constitutional appeals on the enabling bill, currently being debated in the National Assembly, before starting on the first real act of privatization. In this case, to confirm or appoint new chairmen and managing directors at the head of the public sector enterprises. A period of uncertainty for the top management of companies which under the best of circumstances will last until the end of June.

[Question] The enabling bill will probably be the object of an appeal before the Constitutional Council by the opposition. Is there, in your opinion, a risk of annulment?

[Answer] We faced it by taking maximum precautions. It is good to specify that, on the one hand, there will be a bill which could be the object of an appeal on the basis of unconstitutionality and, on the other hand, regulations which could be referred to an administrative judge for exceeding authority during the period between their appearance and the moment they are ratified.

[Question] How are you going to deal with the problem of the monopoly of the CGE [General Electrical Company] in the telephone centrals? Didn't the preamble to the 1946 constitution provide for the nationalization of enterprises in cases of monopoly?

[Answer] Well no, the CGE is not a problem. The CGE does not have a monopoly: the CGCT [General Telephone Centrals Organization] works in the same sector and has 16 percent of the market. If you want to engage in casuistry, then the monopolies are the SNCF [French National Railroads], the EDF [French Electric Company], and SEITA [Commercial Tobacco and Match Manufacturing Company], but not the CGE which is a competitive enterprise.

[Question] And what about the nuclear area?

[Answer] Personally, I don't believe that you can apply the idea of de facto monopoly to sectors of this kind.

[Question] Won't those probable appeals to the Constitutional Council prevent you from sticking to the deadline of the end of May which you have set to settle the enabling bill?

[Answer] The end of May may be a little soon. If you consider that the annulment deadline to clear the appeals to the Constitutional Council will have to be added to the parliamentary debates, this could make us lose several weeks. Hence, an estimate for the end of June would be more reasonable.

[Question] Could this extension of the deadlines cause you to reconsider your project to privatize one enterprise this year?

[Answer] We will very quickly harness ourselves to the regulation which will set the general conditions for privatization, but also to the texts of implementation. I think that thus the whole legal and statutory arrangement will finally be ready before the end of the summer, which will give us the opportunity to complete a significant operation before the end of the year.

[Question] Which one?

[Answer] We have not made a choice. We will do so during the summer. In 1 month we developed this project, which was submitted first to the Council of State, then to the Council of Ministers, and then to the National Assembly where we spent a certain number of hours. We can't do everything at once.

[Question] Aren't the insurance companies the most interesting?

[Answer] The insurance companies are certainly among the national enterprises easiest to denationalize. When privatized, it will be possible to use them to denationalize other enterprises, either through an increase of capital or through an improvement of their own funds. But in any case, our calendar will be pragmatic. We will not pursue the privatization of all insurance sectors, and then of all banking or industrial sectors. Priorities will be defined in every sector and the companies involved will go back on the market as soon as possible.

[Question] Aren't those deadline extensions likely to weaken the chairmen and managing directors of the national enterprises? Wouldn't it be more useful to let it be clearly known who will stay and who will go?

[Answer] Until the moment when the enterprises are privatized the state will be the shareholder. Hence it is normal for it to appoint the chairmen and managing directors. Why do you think that they will be anxious? When the time comes, that is to say as soon as the enabling bill is promulgated, the government will do its job and make nominations. For now, I am totally unable to tell you who will stay and who will leave. That will, in due time, be the object of arbitration at the highest level.

True, an enterprise needs stability at the top. But you really shouldn't exaggerate. Not all chairmen and managing directors are so sensitive. The majority of them are working normally as Mr Balladur has asked them to do. There may be a period of indecision, but if it does exist it will probably be inevitable and very brief. We are making it an absolute priority to ensure that at every moment every enterprise has a president and a stable board of directors, without a transition period as those enterprises experienced for more than a year in 1981 and 1982. And it must also be recalled that some of those national enterprises have had four different managers in 5 years. We in turn have the greatest awareness of the need for a management team which is very rapidly recognized and re-recognized and is stable.

[Question] How will you put in place the "airing" of the public sector?

[Answer] Article 8 of our bill allows for the airing of the public sector by establishing in principle that the law must authorize the privatization of those enterprises in which more than 50 percent of the capital is held by the state or which have been nationalized by law. For all the other enterprises, it will be sufficient to make decisions of an administrative nature.

When you say a simple "administrative authorization," this covers everything related to the statutory field: decrees in the Council of State, ordinary decrees, ministerial or inter-ministerial orders, preliminary authorization or the system of declarations a posteriori. For very easy cases, there will be a declaration a posteriori by the Treasury department after which the authorization will be considered given if there is no opposition on the part of the Ministry of Finance. In fact, there will be a whole gradation, but it will be established only at the level of the regulations. Its spirit, however, is clear: to allow national enterprises to make all their management decisions with the greatest flexibility and independence.

[Question] What will the fate be of the subsidiaries indirectly held by the state when the latter decides to disengage itself from the parent company? Will the document have to list all the subsidiaries which will become private?

[Answer] No. From the moment that the parent company, which holds the shares, leaves the public sector, the subsidiaries will ipso facto also leave.

[Question] Will the privatization of enterprises be total or will the state keep some shares?

[Answer] As a general rule it really is a question of privatizing without keeping any shares. But it is possible that it will be somewhat different in some cases, specifically for the protection of national interests. They can be protected in two ways: either by making sure that the state maintains a relatively important number of shares in them, a blocking minority. or through a "golden share" mechanism. That system can be applied to all the areas targeted by Article 223 of the Treaty of Rome, referring to matters touching on defense. In those cases the state will decide on the way it will protect its interests.

[Question] Which enterprises could be involved?

[Answer] Under current circumstances, the debate is open. Will they, for example, decide that this category should include the oil companies, the CFP [French Petroleum Company] or Elf Aquitaine, or will they limit themselves to that which ensures the authority of the state in those enterprises, that is to say the law of 1928? My feeling is that to keep shares in the capital does not give anything more than the law of 1928.

[Question] Is it possible then to imagine a system in which the state would hold only a minority of the capital but would have a double vote?

[Answer] That is not a very good formula. You cannot want one thing and its opposite: you cannot want a liberal economy with competitiveness and competition and maintain for the state a position of privileged shareholder which may possibly cause the other partners to flee.

[Question] Could the protection of national interests be applied to television?

[Answer] The protection of national interests in the broader sense of the word certainly, and in any case there will be a statement outlining a whole series of obligations for the television companies. On the other hand, this does not seem to me a priori to make it indispensable for the state to maintain a singificant participation in the capital.

[Question] In the case of oil and communication, don't you run the risk then of being accused of being liberal only as a front but fundamentally antiliberal by maintaining the supervision and locks which will allow you to control the enterprise exactly the way you want to?

[Answer] I believe that if we use that type of instrument with moderation we will not be open to criticism. On the contrary, the greatest risk would be to sell the national heritage for a song, to put it up for auction to satisfy the appetite of foreign countries.

Our approach is of a liberal nature. We want a competitive economy, with competition. The fact that in some cases we will have to take a few precautions discriminately to preserve national interests cannot affect the general idea, and that protection is indispensable, clearly on a temporary basis, during the period when the new shareholding system of these companies is being stabilized. That is why, in my opinion, it is a question only of maintaining control for the sole purpose of protecting national interests and of using this in those cases where it can be unquestionably justified. We must prevent undesirable hands from being able to get hold of French enterprises. Under those circumstances, such systems constitute a guarantee of independence for the new shareholders.

This being so, that does not mean that it will be necessary not to permit foreign capital involvement in French enterprises and that idea should be received with a great deal of serenity, because the internationalization of our enterprises is indispensable. Simply, we must not one day wake up and discover that a jewel of French finance or industry has surreptitiously fallen into the hands of a foreign investor because the matter had been badly overseen.

[Question] What guarantees do you intend to find in terms of indemnification?

[Answer] There is no symmetry between nationalization and privatization. Nationalization is an exproriation which justifies a just and prior indemnification. Privatization is the transfer of ordinary shares based on the price adopted and determined by the market. The regulations will specify the criteria on which the assessments will inevitably have to be based. They are the traditional criteria by which an enterprise is assessed. The market does that on a daily basis and evaluates what an enterprise represents based on the value of its assets, its results, the prospects of the company, if the case arises the existing stock market capitalization, and based on those data it develops a price margin. We will have a committee of wise men which will verify those assessments in a very technical manner. The government will set the sale price on the basis of this advice, which will be made public.

We know that some enterprises already have very precise audits at their disposal, but that is not the case for all of them. We will graduate our preliminary investigation relative to information about the company's situation as it is right now.

To establish the state of the enterprises, the administration will surround itself with outside counsel. It doesn't have the means to do it and is perhaps not well placed for that. In the same spirit, the committee of wise men will consist of one or two magistrates but especially of professionals from the private sector, in any case of more members from the private sector than from the administration. And those professionals will be characterized by the fact that they will have no interest in the enterprises to be privatized nor belong to enterprises susceptible of having an interest in the purchase of an enterprise to be privatized.

[Question] Does the stock market increase interfere with your projects?

[Answer] It has been noted that the enterprises already mentioned as potentially privatized sometimes have high rates. This is due simply to the prevailing imbalance on the Paris market between supply and demand. What is certain is that we are going toward a situation in which the offer of paper will progressively increase and where it is possible to think about achieving a balancing of the rates.

That is very important for us. If we want to do significant things from the point of view of small shareholding, the supply prices must maintain a certain relationship to the usual value of the enterprises.

[Question] What method are you going to use to sell the shares to the public? Do you intend to have recourse to dispersed shareholding or to controlling blocs?

[Answer] That is also an extremely important problem and one that has not been resolved yet. I am convinced that there will be as many formulas as there are enterprises. I don't think that it will be possible to invent a coat that would uniformly fit everyone. We have not stopped saying that we will have a very pragmatic approach.

The problem of dispersed shareholding or controlling blocs is indeed a strategic problem of primary importance. An enterprise with completely atomized shareholding is definitely easy prey to unfriendly operations. Hence, it will be necessary for us to make a decision about the problem of controlling blocs and the conditions of their formation. One thing is certain: it is not the state which will form them but the market, it is not the state which will set the price but the interaction between competition and market.

The main difficulty of this problem is industrial and national. Faced with the serious accusation: "the government has made an agreement with a few groups, they have made an arrangement among them," the greatest temptation would be to say: the committee of wise men will decide on a price margin. The government will make the decision to sell at such a price, and then it will make an offer for the sale of all shares on the stock market. And they will let the "chips fall where they may," at the risk of witnessing an unfriendly takeover. Can the government of France allow itself such an attitude?

Nevertheless, it is clear that this problem will be settled with the others in a transparent and competitive manner by leaving the final decision up to the market. Next, it will be up to the shareholders to defend their capital against savage aggressions. We would like the privatized companies to become real companies as soon as they have recovered stable private shareholders.

[Question] What place have you reserved for small shareholding in the process of privatization?

[Answer] That is an objective clearly stated in our privatization program. No figure has been put to it. But, within the framework of the regulation, we will specify the conditions in which arrangements will be made to benefit small shareholding and in this shareholding by employees which the government wants to strongly emphasize. In the finance bill we have already taken measures aimed at closing the gap between benefits granted to shares and those granted to bonds. It is a measure to prepare the environment for small shareholding. That is the first step.

Whatever the case, arrangements will be retained to serve small orders on a priority basis. Privatization gives us a unique opportunity to give its real dimension to shareholding. For me, this is an absolutely vital objective and one which constitutes the best barrier against a possible renationalization. As soon as the French are really and to a significant extent owners of their economy the ideological debate will cease of its own accord.

[Question] Will you carry out the complete privatization of an enterprise before going on to the next, or will you operate on several fronts at once?

[Answer] That is not a question we can answer categorically. Mr Balladur told parliament: "I would prefer to carry out fewer but do them completely." That being the case, does doing it completely mean carrying it out all at once? It is perhaps easier to carry out a privatization progressively rather than a single one all at once. But, whatever the case, it involves going down as quickly as possible to below 50 percent.

[Question] What is your reaction to Serge Dassault's statements asking to quickly buy back a part of the capital held by the state?

[Answer] The problem of Dassault's privatization will be examined in due time, as will the others be.*

[Question] What will the deadline be for implementation of privatization?

[Answer] We expect to achieve it before 1 March 1991.

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* Mr Serge Dassault stated yesterday that the family wanted to regain control of the Avions Marcel Dassault-Breguet Aviation company "before the summer."

[Question] At that time, will you tackle Renault and the steel industry?

[Answer] We'll see. But as far as Renault is concerned, we are up against the difficult problem of its statutes. It would be necessary to transform Renault into a corporation with its total capital held by the state. The greatest urgency is for the state to fulfill its obligations as a shareholder with regard to the state owned company.

[Question] How will you maintain representation of the wage earners on the board of directors?

[Answer] It is our ambition to amend the 1966 law on commercial enterprises by adding arrangements making it possible to offer every enterprise the option of having representatives of the wage earners on the board. That is to say that French companies, and not only the privatized enterprises, would face a situation in which they could opt either for the 1966 law, or for this law amended to allow representation by wage earners.

That is a difficult problem which was unfortunately not well resolved by the law of democratization of the public sector from the point of view of confidentiality, specifically and solely for the public sector. Hence, our social ambition is broader than that of 1983. The text will, of course, be prepared together with the minister of justice, because he is responsible for the law on corporations, and the minister of social affairs.

[Question] Have you thought of using privatization to reduce the country's debts? Specifically the Giscard loan?

[Answer] The state budget is fed simultaneously by indirect contributions, by taxation and loans. It would not be abnormal for the resources which can be obtained by the privatization to be used to reduce the size of the debt. The idea to use the Giscard loan is one idea; it is not the only one. That is a hypothesis which should not be excluded.

The use made will be financially as orthodox as possible and the product of the privatization will be integrally devoted to capital operations: recapitalization of those public enterprises which need it, reduction of the debt in terms of capital. As you see, we are far from having to sell the family jewels.

Thus privatization could constitute an exemplary operation for the economy, for the state, and for every Frenchman.

8463
CSO: 3519/167

POSITIVE, NEGATIVE EFFECTS OF FOREIGN EXCHANGE FREEING

Ahtens I KATHIMERINI in Greek 13 May 86 p 12

[Article by Giann. Kotofolos]

[Excerpt] Beginning today, the commercial banks will buy and sell exchange at prices they will determine, in accordance with the recent Bank of Greece decision. In other words, each bank will be able, by itself, to decide at what price it will buy or sell exchange, for an amount up to 25,000 U.S. dollars. These prices can have a variation of four percent more or less than the average exchange parity, which is to be announced by the Central Bank of Greece.

Implementation of the above system is considered unquestionably positive for the commercial banks and for freeing the banking system, but "conflicting" as concerns the benefit to parties involved--in other words, mainly those buying exchange for tourism, education or health reasons.

Actually, with the freeing--to a degree--of the exchange market, the creation of a competitive climate between the commercial banks is favored since each bank will distribute the exchange sought with its own prices. In the long term, this will certainly be positive for every interested party, who will make his exchanges at the most favorable price created on the market.

Slight Increase

By contrast, however, during the first period of the measure's implementation, it is expected that a slight increase in prices will be noted, given that most banks will try to exhaust the four-percent margin to cover the losses they have had up to now from the distribution of foreign money. On the other hand, it is considered certain that Greeks who want to buy exchange for the reasons referred to before (tourism, etc.) will procure the required amount of foreign money from the banks much more easily and quickly.

9247
CSO: 3521/147

INDUSTRY LOSSES SAID TO AFFECT INDUSTRIALIZATION

Athens I KATHIMERINI in Greek 17 May 86 p 13

[Text] In the annual report of the Association of Greek Industries [SEV] on "Greek industry in 1985" are published interesting data on industry's capital and finance structure, from which it emerges that the entire manufacturing sector ended up 1984 with incredibly inflated net losses.

More specifically, it is reported that:

The 3,113 AE [joint stock company] and EPE [limited liability company] type industrial enterprises operating in 1984 noted a negative outcome, that is, losses valued at 38.5 billion drachmas, versus the total losses of 11.7 billion drachmas noted by the 3,157 enterprises in 1983. This more than tripling of the total losses, though the number of enterprises which are "living" decreased, resulted mainly from enterprises which had noted net losses in the previous year. In the loss-incurring enterprises of 1984, the average amount of losses per enterprise, at current prices, was increased 77 percent versus the previous year, while in the gainful 1984 industries, the average amount of net profits per enterprise, again at current prices, was increased 20 percent versus 1983. Thus, for a third year in a row, the losses of loss-incurring enterprises surpassed the profits of the corresponding gainful enterprises and the total outcome for the entire manufacturing sector not only remained negative, it more than tripled. The return on industry's own funds in net (after amortizations) profits was -13.6 percent, versus -3.5 percent in 1983 and -4.7 percent in 1982.

This deterioration in industry's results was expected, of course--although not to the extent noted--because it resulted from jointly influencing factors whose effect has been expressed systematically and with a constantly greater intensity throughout the last decade. These factors acted through the following phenomena, which resulted in the continual shrinking of industry's profits and inflating of its losses:

1. Inflation of all the components of the cost of production and, above all, of labor per product unit, and of the cost of energy and raw materials. This inflation coincided with a restrained increase in proceeds because of artificial compression of prices with the existing system of controls.

2. Displacement of Greek products on both the domestic and foreign markets because of the intense competition of foreign products from countries with significantly lower rates of inflation, costs and prices.

3. Irregular financing structure and increased cost of capital in Greek industry because of the financing insufficiencies caused by these same losses. These insufficiencies are being created in the formation of both fixed capital and working capital.

These phenomena and their results have led to an industrial crisis which is being imprinted, among other things, on the balance-sheets of the industrial enterprises.

Summary of Ascertainments

The principal ascertainments from the analysis which follows are summarized as follows:

1. There is a continuation in 1984 of the clear tendency toward deindustrialization which has been observed in the last five years and which is reflected, among other things, in the number of enterprises which have quit operating. In the area of AE and EPE enterprises, this number rose to 199 units, versus 186 units in 1983 and 160 in 1982. Deindustrialization is also imprinted on the development of fixed capital. The average amount of gross fixed capital per industrial enterprise increased 14 percent at current prices in 1984, whereas the corresponding amount of net fixed capital (that is, gross capital minus amortizations) increased 11 percent, also at current prices, in a period in which inflation surpasses 20 percent annually.

2. There was also a continuation in 1984 of the downward trend for new enterprises entering the industrial sector. The number of new industrial AE and EPE enterprises during the year was just 155 units, versus 167 in 1983 and 346 in 1980.

3. The drop in the participation of equity capital because of the constant inflating of losses is continuing. For all industry in 1984, the proportion of equity capital in the total capital was only 15.6 percent, versus 23.4 percent in 1983 and 26.5 percent in 1982. In loss-incurring enterprises, equity capital has been reduced to nothing.

4. Industry's burden from borrowing with short-term, as opposed to long-term, loans continues to increase steadily. The proportion of long-term loans in the total liabilities was cut to 21.6 percent in 1984, versus 26.7 percent in 1983, 29.5 percent in 1980 and 35.9 percent in 1975.

5. Because of the credit policy for the private sector, the participation of banks in industry's borrowed capital continued to decrease. The proportion of bank liabilities in the total liabilities of all industy was reduced in 1984 to 51.4 percent, versus 58 percent in 1983 and 61.1 percent in 1982.

9247
CSO: 3521/147

ECONOMIC GREECE

BRIEF

ETVA LOAN FROM JAPAN--ETVA /Hellenic Industrial Development Bank/ has contracted from the Japanese capital market a new bond loan amounting to 5 billion yen (approximately 4.1 billion drachmas). The bonds were purchased from the Japanese Banks and Insurance Companies Group under the direction of the Dai-Ichi Kangyo Bank. The bond loan has a 10-year duration, a 5-year grace period and regular interest of 6.5 percent a year. The issuance of the bonds was at par. The previous similar ETVA bond issuance in 1983 and 1984 had interest rates of 8.6 percent, 7.9 percent and 7.8 percent respectively /as published/. /Text/ /Athens I VRADYNI in Greek 29 Apr 86 p 15/ 5671

CSO: 3521/144

ECONOMY GREW BY EIGHT PERCENT IN LAST HALF OF 1985

Oslo AFTENPOSTEN in Norwegian 29 Apr 86 p 47

[Article: "Stronger Norwegian Economic Growth Last Half-Year"]

[Text] The growth in the Norwegian economy became stronger at the end of 1985 and the beginning of 1986. Norway's gross national product grew by eight percent during the second half of 1985.

At the same time, demand has changed dramatically so that exports have stagnated, imports have increased greatly and private consumption and investments have increased--according to the Central Statistics Bureau in its latest summary of economic trends.

The bureau also points out that growth in employment has been unusually strong, and that relative increases in prices and wages have changed very little. It also points out that the combination of the growth in domestic demand and the falling price of oil will worsen the Norwegian foreign trade balance; the bureau does not fail to mention that we will have a deficit of 20 billion kroner in 1986.

As concerns the future, the bureau says that the growth in private consumption was unusually high and stabile throughout all of 1985, but that interim figures for 1986 suggest a more moderate growth. The strong increase in wages and employment, however, can contribute to keeping increased consumption up during 1986 as well.

Investments outside of oil and shipping increased strongly in 1985 and according to industry's own investment plans, the growth will continue in 1986. Housing investments will increase slightly and investments in the oil and oil-related sector are somewhat uncertain because of oil price uncertainties.

The bureau points out that Norwegian exports have declined and that the increases in Norwegian prices and wages continue to exceed those in countries to which we export, which suggests that we will continue to loose foreign markets in 1986 as well. The growth in imports was unusually strong in 1985 and will remain at approximately the same level in 1986.

12576
CSO: 3639/105

INDUSTRY LEADERS SEE CONTINUED STRONG MARKET IN CHINA

Oslo AFTENPOSTEN in Norwegian 21 Apr 86 p 21

[Article by Terje Svabo]

[Text] Beijing, 20 April--Nine Norwegian companies have now opened offices in China. Export representative Bjorn O. Bjornsen told AFTENPOSTEN that these companies were doing well, but that one of Norway's goals should be to increase our share of the technology trade with China. According to Bjornsen, we are still far behind Sweden and Denmark.

The 1985 figures show that Norway increased its exports to China by a good 8 percent over the 1984 figures.

From 1983 to 1984 exports increased by an extraordinary 100 percent. Last year Norway sold goods to China worth 628 million kroner. It is interesting to note that this export volume is now as great as our sales to the Soviet Union.

Shipbuilding is not included in these figures. So far, developments in this area are encouraging. At present, four Norwegian ships are being constructed in China. Two of them will be used in the North Sea oil business.

Export representative Bjornsen told AFTENPOSTEN that several major contracts were signed last year. In particular, he mentioned Kvaerner and Hafslund, which is heavily involved in hydroelectric projects in southern China. The Norwegian Export Council will expand its activities in this area. Early this fall Sigbjorn Haraldsen of National Industri will be the Export Council's hydroelectric power representative in Beijing.

Bjornsen said that the following nine companies had opened offices in China: DnC, Kreditkassen, Bergen Bank, PlaMa, NOSAC, GECO, EB, NPC, and Statoil. Concerning their activities, the export representative said that the banks were performing a good and useful service for their customers, especially by bringing them into contact with Chinese enterprises. He said that the other companies were making money, as well.

Norway's exports to China comprise no more than 1 percent of our total exports. Bjornsen stressed that China was not a primary market for Norway, but that several Norwegian companies were interested in establishing themselves here. The general interest in China seems to be on the decline, however, and those companies that are now involved are companies with some particularly good chance for success in the People's Republic.

Bjornsen said that Norwegian interests had also noted that 1986 was a year of consolidation in China. Contract negotiations are now slower and the money is harder to get.

Bjornsen said that the honeymoon was now over for China and that China was now trying to adjust its development to the needs and demands presented by the open-door policy.

9336
CSO: 3639/101

WAGE INCREASES GREATER THAN THOSE OF COMPETING COUNTRIES

Oslo AFTENPOSTEN in Norwegian 18 Apr 86 p 35

[Article by Cecilie Norland]

[Text] Norwegians are at the top of the list when it comes to wage increases. With a 7.5-percent limit in this year's agreement, we are far higher than important export markets and competing countries such as Sweden, Denmark, West Germany, and England. Norwegian workers will not only have the highest wage increases by percentage--unlike the other four countries we will also have higher wage increases than the year before. Norway has gone from a wage increase of 6.2 percent last year up to the 7.5-percent limit this year. The other countries have gone down by 0.1 to 2.95 percent.

Of the other four countries, only Sweden has concluded its wage negotiations. Negotiations in Denmark will be held this fall, but according to all indications the wage increases will be lower than last year. West Germany is in the midst of negotiations, but an approximate ceiling has already been set. Wage negotiations in England are a continuous process, since they occur on the company level.

Sweden 1.2 Percent Lower

Swedish wage negotiations this year resulted in a 5-percent increase this year and 4 percent next year for LO (Federation of Trade Unions) affiliates. This increase includes an estimated wage drift of 1.5 percent. Both sides in the agreement have stated that a strong effort should be made to keep the wage drift within this framework. Sweden had a wage increase of 6.2 percent from January 1985 to January of this year. This means that the increase this year is 1.2 percent lower than last year's wage increase.

No Drift In West Germany

West Germany is now involved in wage negotiations. The negotiations are held within each industry in the individual regions but there, as here in Norway, the overall framework is put into place once leading industries and districts have completed their negotiations. There is no wage drift in West Germany, since they have no local wage negotiations.

The pace-setting metals industry will probably conclude its negotiations today or tomorrow. It appears to be heading toward a 4-percent increase. The entire industry collectively will have an increase of 3.5 to 4 percent this year and this will set the standard for the remaining agreements. The public sector has received an additional 4.2 percent.

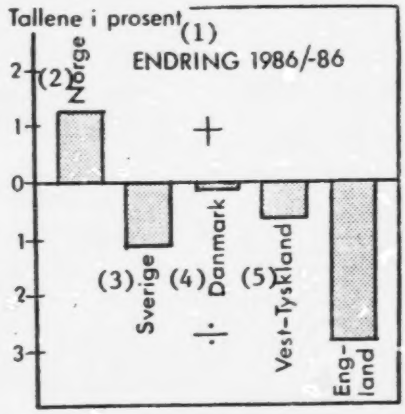
From January last year to January this year West Germany had a wage increase of 4.7 percent, which means that this year's increase will be 0.7 to 1.2 percent lower than last year.

Believe In Lower Increase In Denmark

The Danes will conduct their negotiations this fall. The present agreement is a result of a parliamentary resolution that set a 2.5-percent framework from March last year to March this year and 1.5 percent from March this year to March next year. Last year the wage increase was far higher than this limit. It reached 5 percent. The increase is now much lower, however, and the Danish Employers Association foresees a "considerably lower" wage increase in the future.

6.25 Percent In England

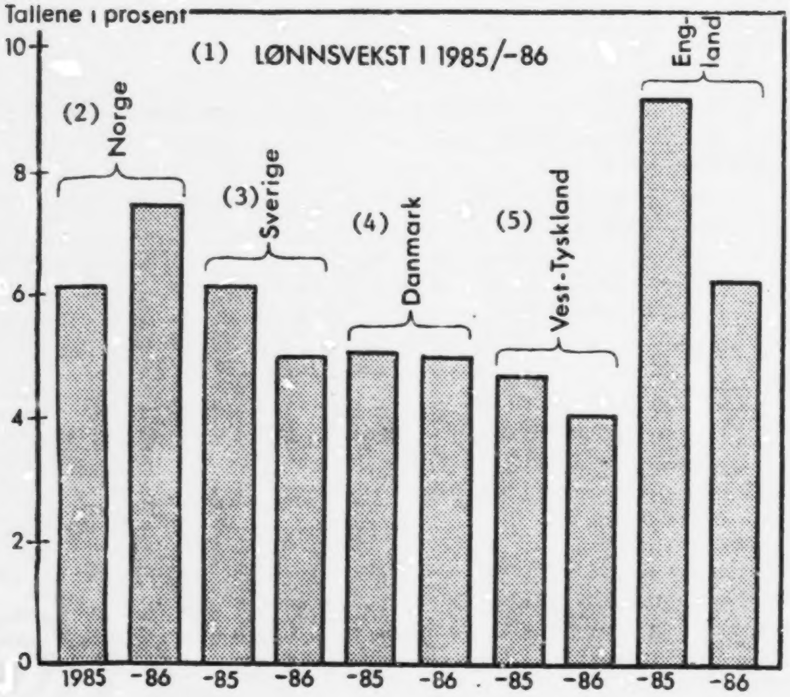
The statistics for England show that companies collectively will pay 6.25 percent more in wages this year. All negotiations occur with the individual company and the increases vary between 4 and 7 percent. Last year the English had a wage increase of 9.2 percent. Thus, this year's figure represents a drop of 2.95 percent.



This graph shows that wage increases in Norway will be greater this year than last year, unlike our main export markets and competing countries, which will have a lower wage increase this year than last year.

Key:

1. Figures in percentage:
   Change 1985/1986
2. Norway
3. Sweden
4. Denmark
5. West Germany



This graph illustrates wage increases in Norway, Sweden, Denmark, West Germany, and England in 1985 and 1986. It shows that Norway will have the highest wage increase of all these countries this year.

Key:

1. Figures in Percentage: Wage increases in 1985/1986
2. Norway
3. Sweden
4. Denmark
5. West Germany

9336
CSO: 3639/101

OIL PRICE DROP ALREADY THREATENS LIVING STANDARD

Trade From Surplus to Deficit

Oslo AFTENPOSTEN in Norwegian 26 Apr 86 p 3

[Article by Cecilie Norland: "Expensive Food, Less to Make Do On"]

[Text] In the coming years, Norwegians will spend their vacations at home, reduce their visits to the beauty parlor and think twice before switching cars. Put bluntly, it is in this manner that we can tighten our belts in order to adjust to the strong decline in oil income. A decline in income which, through increased taxes and fees and lessened government support for food items, among other things, will give each and every one of us less to make do on. Oil income will be 30,000 kroner less per Norwegian than had been calculated for the period from 1986 to 1989.

The oil price decline already has shoved the Norwegian economy from surplus to deficit in the balance of trade. The government's much-discussed Easter package is obviously just a mild advance taste of the belt-tightening measures which must come and the effects of which will be felt by all of us.

With the current oil price, Norwegian oil income will be 120 billion kroner less than calculated from 1986 to 1989. With 4 million Norwegians, this means a decline of 30,000 kroner per head. The adjusted estimates for oil taxes show a markedly declining curve. Last year, tax income was 12,875 kroner per Norwegian; with an oil price of $15, or 100 kroner per barrel, oil income will be reduced by 9,125 kroner, to 3,750 per person this year. In 1987, the contribution by oil taxes to the national budget will be only 1,750 per citizen--a decline from 11,125 kroner last year.

More Expensive Food?

The decline in the price of oil will produce a deficit in the national budget and a deficit in the balance of trade. Therefore, the finance department is preparing for Norwegian borrowing from foreign countries in the amount of 7 billion kroner initially, but this will not mean that private household budgets will remain unscathed by the loss of income. Calculations have been made concerning how long and to what extent the losses can be balanced through borrowing, and all signals are that the government will increase taxes during the course of 1986. By reason of the need to finance the National Insurance Program, gross taxes will increase irrespective of developments in the price of oil, but one cannot ignore the possibility that the government will take even stronger measures than planned in view of the decline in oil income.

Another possibility for taking more money into the national treasury is to increase fees, for example, on gasoline, tobacco and liquor. Additionally, the authorities can reduce subsidies for food items, among other things--something which would, however, increase food expenditures for every single household.

Up to now, there have not been clear signals of how we would feel the loss of income, but no politician has left any doubt that the national budget for 1987 will be dominated by cutbacks.

Borrowing Not Solution

With increased duties and lower disposable incomes, one obviously can maintain consumption through borrowing or cutting savings and investments down to nothing. With today's high real interest rates, it does not pay to borrow--foreign borrowing appears to have slowed down--and no one counts on Norwegians being able to borrow their way out of the tight situation. Housing investments however, will barely decline even though prices appear to be likely to flatten out at the end of 1986 and beginning of 1987. Studies of the effects of the decline in income show that the amounts which will be needed for housing and food are, so to speak, not contingent upon income--unless a drastic decline in income should come about.

Fewer Auto Purchases

With the decline in income, it will be auto purchases and auto maintenance which Norwegians will cut down on first. The studies show also that we will buy less gasoline and oil; we will use a car less during the down periods. Additionally, vacation travel to foreign countries is one of the first things to be limited even though many alternative vacations in Norway very easily can be more expensive than a trip to a foreign country. TV, radio and video purchases decline quickly as well when income is less, and it is reasonable to expect that such purchases will suffer the same fate in situations where other and more necessary goods become more expensive.

The tables showing the effects also point out that we will buy less sports equipment, drink less soda water and other drinks, and cut down on the consumption of exotic fruits and berries with lessened income. Purchases of cosmetics and jewelry along with hair-care also are dependent on income and are of the type expenditures which can be reduced in the family budget.

The studies of how we will cut back when we are forced to do so are hardly shocking. The least necessary items are reduced first, and these are the same purchases or investments which increase when income rises. Last year, when we lived happily with an oil price of 236 kroner per barrel, automobile sales rose; now, they can decline again.

Finance Minister Issues Warning

Oslo AFTENPOSTEN in Norwegian 30 Apr 86 p 5

[Op Ed Article: "Norway Threatened by Increasing Debt"]

[Text] Purchasing power must decline by at least 10-15 percent, and /no/ government can guarantee full employment if the growth in expenditures becomes too great. If our economic policy is not changed, Norway's net debt in 1995 will be equally as large as the entire gross national product. These were the main themes in the strong warnings which Finance Minister Arne Skauge asserted during yesterday's debate. Because of the foregoing, he asserted that it should be possible to accept the first and very limited cutback measures.

Skauge distanced himself from what he called the Labor Party's gloom and doom predictions relating to the social profile in the Willoch government's social policies. From 1981 to 1986, child welfare allowances have risen in real terms by 33.7 percent and the rates for support deductions by 42.4 percent. Additionally, special deductions have been expanded for people with limited ability to pay taxes, and the limit for tax-free income for retired people has been raised by nearly 25 percent for single people and nearly 20 percent for married couples.

"The growth in disposable real income for industrial workers with average salaries and two children has been good and significantly better than the general real wage growth for industrial workers. This also says something about a certain profit sharing policy," said Skauge, who asserted further that additional measures have been implemented to counter the problems of total tax-avoidance.

The finance minister emphasized that the government's efforts both with the social contours of the tax system and in eliminating aberrations in it have been an ongoing process.

Growth Necessary

"We must tighten our money policy and reduce domestic demand simultaneously with adapting conditions in order to allow for greater growth in our industries which are confronting competition," said Skauge, who put the government's tax policy along side the need for strengthening businesses. The same applied to policies regarding the stock market, which in recent years has developed into being a valuable source of capital for Norwegian industry. Skauge asserted that capital expansion in firms on the exchange had increased more than ten-fold since 1980, while capital expansion had less than doubled in companies not on the exchange. For this reason, he stated that the government was not willing to go any farther in the direction of implementing the Labor Party's demand for taxing the stock market.

Gloomy

The finance minister portrayed particularly gloomy outlooks for the Norwegian economy. The deficit in mainland Norway's operational balance respecting foreign countries is far greater than previously predicted. This is due both to stronger growth in domestic demand and worsened competitiveness due to greater growth in costs than expected.

On top of this comes the dramatic fall in the price of oil. Even with optimistic calculations for future oil prices, the loss of government income will amount to approximately 100 billion kroner in the next four-year period. "We cannot deceive ourselves under these circumstances that we can continue as if nothing had happened," said Skauge.

He also warned against the consequences of new wage increases which he fears will weaken our competitiveness by 3-4 percent. "With such an increase in costs, many firms will price themselves out of the market. At a time when we are confronting an entirely new international economic situation with large deficits in foreign trade for many years, /no/ government can guarantee full employment if the increasing costs become too great," said Skauge. He thinks that it is a fact that wage earners' purchasing power must be reduced by between 10 and 15 percent even if we stabilize our expanded debt at a level which is four times as high as today.

12578
CSO: 3639/105

DELEGATION SPOKESMAN ON TEXTILE NEGOTIATIONS WITH EEC

Istanbul DUNYA in Turkish 24 Apr 86 pp 1,11

[Text] Halit Narin, President of the Turkish Confederation of Employer Unions [TISK], Executive Council President of the Turkish Textile Industry Employers' Union and spokesman for the Turkish delegation at the recent negotiations where the Autolimitation Agreement was signed with the EEC textile delegation, said that in the distribution of [textile export] quotas in Turkey "the government's primary duty must be to prevent the abuse of the quotas."

Stating that he wants the quotas to help the producers, Narin said that the sale or any other abuse of the quotas must not be allowed under any circumstances. Speaking about the Turkey-EEC negotiations that ended with the signing of the Autolimitation Agreement in Brussels and the distribution of quotas in Turkey, Halit Narin replied to our questions as follows:

DUNYA: According to the Autolimitation Agreement on which an accord has been reached, the quotas will be distributed in Turkey. What do you think the criteria should be in the distribution of quotas?

Narin: The quotas must be evaluated after joint work is conducted by various groups. The government's primary duty must be to prevent the abuse of the quotas. No services must be considered in a way that may upset the balance or which may lead to abuse. The quotas must be able to provide broad benefit to the pertinent community.

If the quotas are allowed to be grabbed by whoever can or if those who get them are allowed to sell them to others, it will be a disaster. The quotas must not be allowed to be sold or abused. If buyers and sellers of quotas begin to emerge it will result in a fiasco for Turkey. If that happens, Turkey will neither be able to export nor do anything else as a result of the scandal that will emerge. If an assigned quota is not used it must be returned; it should not be possible to turn it over to someone else.

DUNYA: What organizations must distribute the quotas and to whom must it distribute them?

Narin: The government has become the primary authority responsible for the quotas. It is responsible for its abuse and control. The quotas must benefit those who use them and not those who distribute them. There should be no room for tolerance on this issue. The quotas must be distributed among the manufacturers. Imagine that you give the quotas to the exporters rather than the manufacturers. The exporting firm will hold the manufacturer by the neck and tell him: 'If you do not give me this I will not let you manufacture.' This will result in the closure of the workplace. The quotas concern the manufacturer. The manufacturer who is under pressure cannot be expected to produce.

DUNYA: What is your evaluation of the Autolimitation Agreement on which you have reached an accord with the EEC?

Narin: We as well as everyone else are pleased with this agreement. Because we have accomplished something that cannot be minimized. Everyone knows the dollar value of this business; it is not that significant. This is an agreement which goes beyond the dollar value and which guarantees for hundreds of thousands of Turkish citizens continual employment and sales. What pleases us all is that we have made an agreement which constitutes the source of earnings for hundreds of thousands of people. We could not have done it if the EEC countries did not want it. We found a common point of reason with the EEC countries and Mr Leng.

DUNYA: I believe that the figures you agreed on were not the figures Turkey proposed. To which side are the compromise figures closer to?

Narin: The success of the agreement is possible with the gratification of both sides. They did not give us the maximum they could give. But we got more than the minimum we could get. This is a political answer, but that is the result.

DUNYA: What were the issues that caused the most difficulty during the negotiations?

Narin: There were no issues on which we did not have any difficulty. The progress of the negotiations from the beginning to the end was difficult. I heard that Eyup Ilyasoglu and Ertekin Ashaboglu slept for two days out of exhaustion. I myself thought that I was poisoned from the food I ate in Zurich. At the end of the negotiations we remained unconscious in various parts of the world for 48 hours to regain our exhausted strength. The agreement was the result of a great amount of mental energy expenditure. Had we not worked as a team we could not have accomplished this result.

DUNYA: What was the effect of the change you made in the negotiating strategy?

Narin: Our success may be linked to that. The authority as spokesman vested in me by the Undersecretariat of the Treasury and Foreign Trade stipulated that I sign an agreement at the point when an agreement could be signed or that I return to Turkey. I told Mr Leng repeatedly that I was not there to negotiate. I did not go to Brussels to go over issues that had been explained several times. We sought ways to reach an agreement, and my job, in any case, was to make an agreement. We accomplished this task thanks to the assistance given to me by the delegation, and we came home with good news.

DUNYA: What was the factor that brought about an agreement during this round of negotiations while an agreement could not be reached in previous talks?

Narin: The fact that an accord was reached this time indicates that the negotiating tactics used so far were changed. In other words, in this round of negotiations we had the premise that it is in Turkey's interest to sign an Autolimitation Agreement which contains the figures Turkey needs. The delegation's success was partly due to the weight of my presence as the representative of the exporter associations, the Union of Chambers of Commerce and Industry, the Turkish Apparel Manufacturers Association and TISK. In Brussels we explained to them with our weight the methodology of the bargaining and told them that we can make an agreement.

9588
CSO: 3554/45

GOVERNMENT'S CREDIBILITY ON INFLATION QUESTIONED

Istanbul DUNYA in Turkish 24 Apr 86 p 1

[Editorial: "Some Seriousness"]

[Text] Is it healthy to claim that every action and decision of a government is "indisputable" and "unquestionably correct"? It should not be. But it is observed that those who are in positions of charting the course of the economy are increasingly deluded with such dogmatism. Most recenly, speaking about inflation, the problems of the banking system and foreign exchange operations, Treasury and Foreign Trade Undersecretary Ekrem Pakdemirli insisted that no one should doubt the correctness of their policies while distorting the facts.

The message Pakdemirli was trying to deliver to the public with appeals for the people's trust in the government is based on certain significant distortions which must be considered unfortunate. Speaking at a symposium in Istanbul entitled "The Past, Present and Future of Turkish Banking," the undersecretary stated that the battle against inflation is "above all a matter of faith," ignoring the fact that one of the most important elements of the continuation of inflationary pressure is the borrowing policy of the organization he is heading. Contrary to Pakdemirli's claim, for the last year the Treasury has been borrowing at 50 percent interest during its weekly biddings. This practice has deepened the widespread disbelief in the government's announced target of a 25-percent increase in the general price level; more importantly, it has prepared the ground for setting the economy on an "hyperinflationary" trend.

Also untrue is the claim that the Treasury is trying to control, "as much as it can," the growth of the money supply, which is another element fanning the flames of inflation. Because this institution has been pumping the funds it withdraws from savings accounts through the banking system back into the economy to finance its current account spending. This way, more money cannot be withdrawn from the market. As a result the growth in the money supply is set such that the inflation rate remains around 40 percent. This is because the administration knows that a real decline in inflation through radical measures may upset the balances of the economy. But it does not have the courage to say that.

The distortion of facts is not limited to this aspect of the problem. The Treasury, which has been borrowing at high interest rates, is forcing the banks to link their assets to government securities. As a result, the banking system has found a low-risk, high-profit lending resource and feels no incentive to reduce interest rates on credit. The addiction of the financial institutions to comfortable earnings in a high-inflation environment has increased the attractiveness of speculation in foreign currency as well as Turkish currency and has kept alive the inflationary mentality through high-cost credit. When the government's claims do not match the facts, it gets harder to believe any of the official statements that are made.

9588
CSO: 3554/45

BILL CALLS FOR TIGHTER CONTROLS OVER PRIVATE INVESTMENT

Two-Tier Elections for Union of Chambers

Istanbul DUNYA in Turkish 3 Apr 86 pp 1, 11

[Excerpt] Ankara (DUNYA) - The "Draft Law Pertaining to the Amendment of Certain Articles of Chambers and Exchanges Union Law No 5590 and Annexes to and Provisional Articles of this Law" approved by the Council of Ministers and sent to the speaker of the TGNA [Turkish Grand National Assembly] would change the electoral system and administrative structure of the Turkish Union of Chambers and Exchanges [TUCE] and imposes heavy fines on chambers that "engage in politics."

According to the bill expected to be taken up Thursday in the TGNA Industry, Trade and Technology Committee, the number of TUCE organs will be raised to three: the General Assembly, the Chamber and Exchanges Councils and the Board of Directors. The union's general assembly will be comprised of delegates elected by the Chamber and Exchange Assemblies from among their own members for 4-year terms, and the number of delegates sent to the general assembly by each chamber or exchange will not exceed 20. The union's board of directors, meanwhile, will be composed of 15 members which the councils will elect for 2-year terms from among their own members. The members of the board of directors may serve a maximum of 10 consecutive years.

The provisions "of a reform nature" called for in the bill's rationale add "Chamber and Exchange Councils" to the TUCE organs. The rationale reads: "A new identity is thus conferred upon the union. The councils, functioning as select bodies, will ensure that the union, which occupies an important position in our economic life, operates more productively." The rationale also states that, by giving the councils the authority to elect members of the board of directors, "balanced representation of all sectors is ensured in administration."

Bill Innovations

According to the bill amending Law No 5590, the term in office of delegates elected to the union's general assembly by the chamber and exchange assemblies from among their own members is extended from 3 years to 4 years. Each chamber and exchange will be represented in the general assembly by one delegate each, and the total number of delegates will not exceed 1,000 persons at most. Also, the unions and chambers will elect additional delegates according to income criteria to be determined and announced prior to the elections by the Ministry of Industry and Trade on the basis of income 1 year previous. According to the proposed provisions, alternate delegates may be designated equal to the number elected, and the number of delegates which one chamber or exchange may send to the general assembly may not exceed 20.

Expenses for delegates attending the general assembly, scheduled to convene each year in May, will be met by their organizations. If chamber and exchange assemblies are dissolved and reelected for any reason, delegates to the union general assembly will be reelected also.

Under the provisions of the bill, five different councils, each comprising 30 members, will be formed from among the delegates attending the union general assembly; the five consisting of the Chamber of Commerce Council, the Chamber of Industry Council, the Chamber of Commerce and Industry Council, the Chamber of Maritime Trade Council and the Commercial Exchange Council. However, the total number of of members of the councils may not exceed half the number of delegates represented at the general assembly. The councils, meanwhile, will elect from among their own members one president and one vice president to a 4-year term. The council presidents will select from among themselves the first union general assembly chairman for 1 year. The council presidents will serve in rotation as general assembly chairmen in subsequent years. The other council presidents will form the general assembly Steering Committee in the capacity of general assembly vice chairmen. The councils will meet at least 4 times annually and, as needed, upon the invitation of the president or, in his absence, the vice president.

Union Board of Directors

The bill raises the number of Union Board of Directors members from 9 to 15. Up to 15 members or alternates will be elected by the councils from among their own members for 2-year terms. Distribution of board of directors members by sector will be set in proportion to the number of delegates at the general assembly. Each council will have at least one delegate on the board of directors. The union's board of directors will elect from among its own members one chairman, four vice chairmen and a treasurer to serve 2-year terms. The vice chairmen will be chosen from among the representatives of councils other than the one on which the chairman sits. The general secretary will not vote in this election. The person elected chairman of the Union Board of Directors cannot serve concurrently as chairman of the assembly or board of directors of the chamber or exchange of which he is a member. These members may serve a maximum of 10 consecutive years.

Occupational Committees

The bill also revises the numerical status of Chamber Occupation Committees. Occupation committees will consist of 5 and 7 persons to be elected by the occupational groups or 5, 7 and 11 persons for chambers with more than 10,000 members. Occupation Committees, which will sit for 4 years, will select from among their own members one chairman and one vice chairman to serve for 2 years. The chairman may be reelected at the expiration of his term. The principles to apply in the categorization of occupations and the designation of the number of members in occupational groups will be set by directives.

Chamber Assemblies

Under the bill, Chamber and Exchange Assemblies will be composed of two members each elected by each of the Occupation Committees. However, assemblies of chambers with more than 10,000 members will have one representative each from 5-person occupation committees, two each from 7-person occupation committees and three each from 11-person occupation committees. Those elected assembly members may serve in only one of the assemblies of the chambers and exchanges which have the same activity restrictions.

Personnel Situation

According to the bill, the hiring, appointment, promotion, transfer, dismissal from work and dismissal as punishment of staff and service personnel employed by the chambers, exchanges and unions, plus the matter of severance pay which must be given in these cases, and the amounts and forms of heating, family and birth, death and social assistance under the State Civil Service Law will be specified in a directive to be drawn up by the Union and approved by the Council of Ministers. Personnel wages will be set by the Union, taking into account education, seniority, duties and the characteristics of the chambers and exchanges. Billets specified in this way will become valid upon approval by the Council of Ministers.

Politics Ban

The bill prohibits any activity by the chambers and exchanges and the union outside the purpose for which they were established. Thus, the chambers, exchanges and union may not hold meeting not in line with the performance of their duties as stated by law, may not organize demonstrations, may not engage in politics, and may not act in partnership with political parties, trade unions, foundations and associations. They may not give material aid to political parties. They may not support specific candidates in local and national deputy elections. Failure by the chambers and exchanges and the union to comply with these bans may result in prosecution, dissolution of the organs responsible and the election of replacements. Replacements are to be elected within 1 month at the latest.

Izmir Chamber of Commerce Head Comments

Istanbul DUNYA in Turkish 3 Apr 86 pp 1, 11

[Text] Izmir (DUNYA) - Dundar Soyer, president of the Izmir Chamber of Commerce, said that the bill involving the changes desired in Law No 5590 contains provisions that narrow and restrict the functions of the Union of Chambers and of the chambers themselves. He said he would express his views on the bill during the committee hearings.

Noting that, from the bill's narrowing the General Assembly's size and calling for two-tier elections, they inferred a desire to gain easy oversight and domination of the union, Dundar Soyer asserted that there was also a desire to make the organization a ward [of the state].

Soyer said that the chambers' basic duties included generating ideas on the country's economic matters and problems and coming up with constructive proposals. He expressed these views:

"Democracy gains strength and meaning in a country through the existence of strong institutions and organizations, as well as parliaments. Our chambers have become essential institutions of democracy with their centuries of tradition, custom and practice. There is a desire to make the chambers into some sort of a confederation, hence the presentation of a method different from the system used to date. The result hoped for, by limiting the number of delegates, is to gain easy control over the delegates or point them in the direction desired. The Union of Chambers is a strong organization in Turkey. It is the private sector's most widespread and effective organization. It is respected and influential in Turkey's economic and political life. Any administration ought to see that it would be sensitive about this influence."

Noting, meanwhile, that they had not been kept informed in any way during preparation of the bill, Soyer said that they would be conveying their thoughts on the bill to the committee members during the assembly debates. He indicated that the Union of Chambers would be working to preserve their influence and drew attention to the government's failure to keep its promises. Stating that they would be the watchdogs over whether promises given are kept, Soyer gave the following information:

"The law was hastily forwarded to the TGNA in a manner not consistent with the dialogue that would be expected with the government. Actually, there ought to have been a dialogue in the preparatory stages in which views could have been reconciled. We were promised during the prime minister's and deputy prime minister's visits to Izmir that talks would be held on matters directly or indirectly affecting the private sector. However, the promises given are not being kept by the government. We will be the watchdog on this."

Soyer announced that a meeting of chamber presidents would be held at the Union of Chambers to discuss the Union of Chambers bill and that this bill would affect the dialogue between them and the government. He added that the Izmir Chamber of Commerce had asked to participate in the committee discussion of the bill and that they would express their views in committee.

8349
CSO: 3554/43

ENERGY FINLAND

PLANS FOR NEW NUCLEAR PLANT ON HOLD FOLLOWING CHERNOBYL

Energy Minister Explains Stand

Helsinki UUSI SUOMI in Finnish 30 Apr 86 p 1

[Article: "Ministers Deliberate Responsibility for Informing Public: Finland's Nuclear Power Program Now Suspended"]

[Text] The USSR's nuclear catastrophe is also upsetting Finland's nuclear power program, even though the Loviisa power plants, for example, are of quite different types from that of the plant involved in the accident.

On Tuesday Trade and Industry Minister Seppo Lindblom (Social Democrat) let it be understood that we might even abandon construction of additional nuclear power facilities entirely in this country.

According to him, the Chernobyl accident "may have far-reaching effects on our future energy decisions."

We had to wait for more than 24 hours for the government's stand on and report of the Chernobyl accident before the radiation levels, which had risen here, were made public. Some ministers said that they did not hear about the event until Tuesday morning.

In the government they admitted that the uncertainty was due to the distribution of ministry functions in such cases in addition to a lag in the flow of information. The ministers wondered who is responsible for informing citizens.

The ministers assured us that no serious situation exists or has existed in Finland. Responsible for fire and rescue actions, Interior Minister Kaisa Raatikainen (Social Democrat) reassured us that the ministry and the government are fully prepared to act if need be.

On Tuesday the government appointed a committee of officials to maintain communications between the different officials in connection with this matter.

Country's Emergency Preparedness Described

Helsinki UUSI SUOMI in Finnish 30 Apr 86 p 1

[Article: "Finland's Safety System Is Limping"]

[Text] So far, they do not intend to evacuate Finnish workers from construction sites in Kiev. Risto Huovila, the chief of Lemminkainen Oy's Kiev construction site, told UUSI SUOMI on Tuesday that the situation is quite normal.

"The fact that we have not received any information as to how the radioactive pollutants have moved in this area makes the situation frightening," Huovila said.

The drifting of the cloud of pollutants over Finland has revealed serious shortcomings in our country's radiation safety system. Some of the ministry's metering equipment has proven to be museum articles and obvious defects have appeared in the new equipment.

In Sweden they are amazed at Finnish officials' low-keyed information policy. Especially since an increase in radiation was noted in Finland as early as Sunday afternoon.

Nuclear power expert Prof Jorma K. Miettinen feels that the Chernobyl power plant accident is an especially serious blow to the debate on nuclear power plants and to Soviet nuclear power technology.

Paper on Accident's 'Lessons'

Helsinki UUSI SUOMI in Finnish 30 Apr 86 p 2

[Editorial: "Kiev's Lessons"]

[Text] Concrete experiences always exceed theoretical estimates. This is why the issue of nuclear energy has entered a new phase since the Kiev reactor accident.

Unfounded hysteria must, of course, be dispelled. Dangerous radiation levels have not been observed in Finland, nor apparently elsewhere outside the immediate vicinity of the reactor. The reactor was of a different type from the one used in Finland; it lacked a protective vault and safety arrangements probably otherwise differed from what we require here. The losses of human human lives are regrettable, but they have not been able to avoid them in other big industries either.

It was, on the other hand, a good thing to be reminded of the risks of nuclear energy. In the heated debate on energyb people have sometimes attempted to underestimate them in an unfounded way. After news of this sort, gilding the lily may produce an uncomfortable reaction.

They experienced somewhat the same sort of situation after the nuclear power plant accident in Harrisburg. On the basis of theoretical calculations, the likelihood of a so-called worst possible accident, that is, if the reaction "should get out of hand," is considered to be very small. It has, of course, been added that, while the likelihood of its happening may be once in a million years, that year could be right now.

As of now, we have already experienced perhaps two reactions that have gotten out of hand. In Harrisburg, however, there were no human victims at all and they succeeded in controlling the problem. The dimensions of the Kiev accident should not be exaggerated before we have more accurate information.

After what has happened, our energy policy will undoubtedly be deliberated more seriously than before. At that time there will be good reason to recognize the risks of nuclear energy, but we must at the same time weigh the dangers, also to health, inherent in the other alternatives. The advantages of nuclear energy are still -- despite the risks -- undeniable.

At any rate, we should very critically go over the steps [we may take] and our preparedness in the event of such a crisis. This time we have seen amazing clumsiness and fumbling. We ought to consider ourselves downright lucky that we were taught a lesson under such [relatively] safe circumstances. A strike, for example, is not enough to explain it; we may experience a much worse situation under more difficult circumstances.

The problems begin with our country's top leaders and extend to countless details in, for example, the flow of information. A sort of inherently Finnish phlegmatism is the common denominator for all of them. Matters were left unattended to, the further reporting on problems was at least neglected and those who bear the responsibility, not to mention our leaders, did not wish to be found.

So the government deliberated for a long time to whom the responsibility in this matter really belongs. And what if only very little time were available?

The flow of information is always a basic problem in crisis situations. We received reports from the Soviet Union slowly and at first even in a misleading way. Apparently, the reform of news reporting there has not yet been brought to completion. They would not, of course, have been able to keep such a big accident, which occurred in a central part of the country, secret.

We, however, have no reason to be proud with respect to our reporting either. Tass reported the news spontaneously, although very late. Asking the Soviet Union about the matter would not, however, have been a breach of foreign policy etiquette. And above all: We had our own worrisome measurement data, but for one reason or another they were not passed on to Sweden, for example.

What happend in Kiev also tells us that we need civil defense at other times than during military crises as well. Might this give those reason to think who have opposed giving civil servants civil defense training on the grounds of rejecting "militarization"?

Power Industry Leaders Comment

Helsinki UUSI SUOMI in Finnish 1 May 86 p 12

[Article: "Industry Unanimous: Don't Russ into Decisions"]

[Text] Representatives of the industry with one voice warn against overly hasty decisions made in an effort to solve Finland's energy problems, although they do feel that the Chernobyl accident is a matter that requires "cool-headed consideration."

According to the industry, by the first half of the 1990's Finland will need its next nuclear power plant to ensure its electric power production. In the industry's opinion, the nuclear power plant project has so far been progressing too slowly and this is threatening us with a rise in the price of electricity.

The chairman of the industry's association, Nokia general manager Kari Kairamo, pointed out that the reactors now in operation in Finland and those designed for use here are of a quite different type from the reactor involved in the accident and that the safety arrangements at the plant involved in the accident did not correspond to Finnish standards.

"We must also remember that there are already over a hundred nuclear power plants in Europe in the vicinity of Finland and their number is rapidly growing, in the Soviet Union among other places. In Sweden too, there are 12 of them near us. So the situation will just not be changed by the decisions we make in Finland," industrialist Kairamo remarked.

The industry in general hopes that we would expect explanations of the Chernobyl accident before adopting definitive positions on the course of Finland's energy policy.

"At the present time there is too little information to make far-reaching decisions and we must avoid overly hasty conclusions," TKL [Industrial Confederation] chairman Timo Relander and the chairman of the TKL energy committee, general manager Krister Ahlstrom, said.

Perusvoima Oy has already submitted its application in principle for a license for Finland's fifth nuclear power plant which, according to the company's plans, would have a capacity of either 500 or 1,000 MW.

Parliament Members Express Views

Helsinki UUSI SUOMI in Finnish 1 May 86 p 12

[Text] The nuclear energy bill will probably advance to debate in the big chamber of Parliament as soon as next week. The bill does not deal with the procurement of a fifth nuclear power plant, but in connection with the debate on it members of Parliament will have an opportunity to engage in discussion of a decision on the power plant as well. The energy policy will also be raised in the waterfall protection bill to be debated in the spring. If the nuclear power project is suspended, pressures to develop waterfalls may grow. UUSI SUOMI asked members of Parliament for their opinions on nuclear power and the effect of the Kiev accident on their views. Meeting with over 50 members of Parliament told us that what happened in Kiev has not so far changed their views on the matter.

UUSI SUOMI met with a total of 56 members of Parliament who had already left to celebrate May Day. We asked them for their views on the construction of a fifth nuclear power plant and whether the Kiev accident had affected their opinions.

The general tenor of their replies was that the accident has not changed their earlier positions. However, nearly without exception the members of Parliament believed that public opinion will change to a more negative attitude than now. They also believed that decisions would shift.

The Center Party's Jukka Vihriala hoped tha people would not use the accident to try to chalk up single points. He has always been a "silent opponent" of nuclear power, as he himself said.

"I Will Not Respond to the Gallup Polls"

Members of Parliament have been particularly annoyed with "instant Gallup polls" these past few days. Several newspapers and research institutes have them in progress.

Some members of Parliament said that they were downright fed up with the polls. Arvo Kemppainen (Communist), among others, expressed this view in particularly strong terms.

Several People's Democrats said that in their group they have unofficially decided that they will not respond to opinion polls on this matter. They will assume a position when the proper time comes in Parliament.

Of the same opinion were also the Center Party's Paavo Vesterinen, the Conservative Party's Ritva Laurila and the SDP's [Social Democratic Party] Pirjo Alakapee, who indeed announced that he was very critical of nuclear power.

Just appointed to head the Interior Ministry's Rescue Department, the SDP's Pekka Myllyniemi felt that the question was irrelevant. "I won't answer it, I won't answer it," Myllyniemi repeated.

Negative View Has Gained Strength

Opponents of nuclear power are understandably gaining more arguments from the Kiev accident to support their position.

"Up to now I have not been convinced of their safety and it will be even harder to convince me of it after this," Taisto Tahkamaa (Center Party) said.

The Center Party's Aapo Saari is one of those rare people whose opinion of the accident has changed.

"Before it I felt that nuclear energy is better than coal energy. Now I have more reservations about it than before."

The RKP's [Swedish People's Party] Hakan Malm said that he has no firm opinion, buth that his earlier doubting attitude has been strengthened.

Kaisa Raatikainen's (Social Democrat) husband, Erkki Raatikainen, who answered the phone, believed that the minister would not answer such a question because she is a member of the government.

The Center Party's Pentti Poutanen said that he would wait with the government. The SMP's [Finnish Rural Party] Martti Ratu stated "that you ought to be secretive when you belong to a certain bunch."

Supporters Reassured Us

Those members of Parliament who support the development of nuclear power want more information and comparisons between the power plant involved in the accident and the Finnish power plants. "We have not been so naive as not to have admitted the risks the whole time. It is a question of minimizing them."

The Communists' Seppo Toiviainen said that he is still "critically in favor" of a fifth power plant. Toiviainen is one of those who emphasize that the power plant must be bought from the Soviet Union for trade policy reasons among others.

Of the members of Parliament UUSI SUOMI met with, Esko Helle (People's Democrat) followed his own course. He opposes the new power plant, but has no doubts about its safety. Helle's argument for opposing it is the problem of storing nuclear waste.

Perusvoima Chief: Plan Remains

Helsinki UUSI SUOMI in Finnish 1 May 86 p 12

[Article by Pertti Nurvala: "Government's Hesitant Attitude Influenced Them: Perusvoima Applies the Brakes"]

[Text] At a press conference yesterday Perusvoima Oy (PEVO) general manager Anders Palmgren announced that PEVO is slowing down with its preliminary operations for a fifth nuclear power plant and is waiting for more accurate information on the causes of the Chernobyl accident.

PEVO and its associate companies, however, do not believe that what happened at Chernobyl will provide a reason for doubting the VVER [expansion unknown] or the safety properties of light-water type reactors in general.

"To be sure of ourselves, the technical bases for the safety of the next nuclear power plant will be taken up for further new discussion in which the active, decisive contribution of the Radiation Safety Center will be most conspicuous," Palmgren said.

Palmgren was of the opinion that the latest VVER plants built in the Soviet Union meet Western safety requirements. His tone was, however, different when we spoke of graphite-controlled power plants like Chernobyl. There are some of them in the vicinity of Leningrad, among other places.

According to Palmgren, the giant power plants (2 x 1,500 MW) at Ignalino hardly have the kind of protective vaults that "we call fully capable of withstanding pressure." Ignalino is located a little farther south of Helsinki than Jyvaskyla is north of Helsinki.

The Soviet Union will probably have to close down its graphite-controlled plants, at least during the investigations. Thus Finland may in future have difficulties in importing electric power from the Soviet Union. About 7 or 8 percent of Finland's total electric power consumption comes from there.

Basic Approach Unchanged

"The basic approach of the industry's energy policy will remain unchanged despite the serious accident in the Soviet Union," said Pentti Sierila, the director of the Forest Industry Association, about the industry that consumes the most energy.

Sierila told us that the fifth nuclear power plant is only one part of the industry's energy program. It includes energy conservation measures, an intensification of research, increasing sources of domestic energy and ensuring basic energy with counterpressure energy, coal energy and nuclear energy.

"Now we need a moment's pause to think things over," Sierila said.

According to him, at about the end of the year facilities for 150,000 MW of nuclear energy were being built or planned, that is, 150 1,000-MW plants.

"Will My Liver Hold Out...?"

They were confused-looking. There was no information, but the public was asking for it. They approached that mighty force with a press conference.

Company men of PEVO, founded for the fifth nuclear power plant, and IVO [Imatra Power Company], Anders Palmgren, Krister Ahlstrom and Kalevi Numminen know how serious the situation is.

Electricity will soon be rationed in Finland unless something is done about it. On the other hand, it is now pointless to even try to quickly push through a decision to build the nuclear power plant. Public opinion hears only the ticking of the Geiger counter.

The energy people may again resort to making use of their special familiarity with the news media. Yesterday a desperate lobbyist on the back bench grunted: "Will my liver continue to hold out through the next election period?"

At the press conference they spoke warmly of pressurized water reactor type plants and were mainly silent about the type in use at Chernobyl.

The message between the lines was, however, that a fifth (pressurized water type) nuclear power plant will not affect Finns' safety at all. On the southern side of the Gulf of Finland rumble six mighty graphite-controlled plants whose profitability was not jeopardized by building useless protective vaults.

Besides, there are risks with conventional forms of energy too. "A coal power plant is costly for industry and the strain on the environment is greater, which today may sound grotesque," Krister Ahlstrom added, bearing public opinion in mind.

11,466
CSO: 3617/108

POLL SHOWS TWO OF THREE OPPOSE ANY ADDITIONAL NUCLEAR PLANTS

Poll Taken After Chernobyl

Helsinki SUOMEN KUVALEHTI in Finnish 9 May 86 pp 12-13

[Article by Pekka Hyvarinen: "Majority of Finns Now Opposed to Nuclear Power"]

[Text] The accident that occurred at the Chernobyl Nuclear Power Plant in the Ukraine has radically changed opinions of Finns against nuclear power. According to a spot poll commissioned by SUOMEN KUVALEHTI, a full two-thirds of the people is opposed to the large power plant now being planned. Thus the number of opponents has doubled.

By order of our paper Finnish Gallup polled the opinions of citizens on nuclear power in a 1-day poll on Sunday, 4 May 1986. The day the interviews were conducted was exactly 1 week since the catastrophe in Chernobyl, and the radiation effects following the accident were, for the most part, known. A full 300 interviews were conducted by telephone.

The spot interview demonstrates the kind of shock the accident caused in Finland. Even experienced poll takers do not recall a more significant social question in which opinions have changed as quickly and radically as this time. The change is so great that there is no reason to speculate on even the polling procedure and its reliability.

Two in Three Opposed to Large Power Plant

According to the report, approximately two-thirds (64 percent) of the Finns would opposed a new nuclear power plant in this situation. Only 17 percent, many of them in positions of authority, would support a large new nuclear power plant. A relatively larger proportion of women than men opposes a large power plant.

From the poll's background information it becomes apparent that approximately half of the opponents wants to postpone the construction of a large power plant to sometime in the future, and half is ready to abandon the whole project. The supporters of a large power plant, naturally, consider that decisions can be made immediately.

It is, indeed, interesting, the nuclear power plants already in operation in Finland are considered to be quite safe even after the Chernobyl accident. Confidence has remained, and the arguments of the nuclear power industry seem to be effective in this matter. The people believe that the nuclear power plants in use in Finland are in their construction of a different type than the plant which was now destroyed in the Soviet Union. This view was also repeated in the question concerning the issue in the spot poll.

The answers indicate that two-thirds of the Finns (66 percent) considers our own power plants to be either quite safe or very safe. One-fifth of the respondents expressed doubts about the power plants. Women are again more cautious than the men.

In the attitudes toward nuclear power, in general, and toward our own power plants, in particular, there is a certain conflict, which, however, comes out quite frequently in these types of polls according to the researchers. Something foreign and unknown is considered threatening while, on the other hand, there is a desire to see one's own country as a "safe haven".

A comparison of this spot poll with previous studies is not possible because of the way the question was posed, but it is clear that the number of those opposed to a new large power plant has doubled since the Ukrainian accident.

This Is How Opinions Changed

One-third of the respondents stated that they changed their opinion about the feasibility of nuclear power after the accident. Adults, in particular, revised their stand. The change among youth was smaller, but according to the poll their trust in technology otherwise is greater than their elders.

According to the poll, the majority of Finns now adopts a negative attitude toward nuclear power. After the accident opponents of nuclear energy comprise 54 percent of the people while previously they made up approximately one-third of the people. Nuclear power is now supported by only every sixth Finn, the rest is uncertain or is opposed to nuclear energy.

Among the supporters of nuclear power nearly half have changed their tune or at least have become suspicious. Likewise, almost half of those who were previously uncertain now say that they have a negative attitude toward nuclear power. Opponents, for their part, are now more decisive than before.

Initial Shock or Lasting Change?

The SUOMEN KUVALEHTI spot poll was thus conducted exactly a week after the Chernobyl accident. Experts consider it possible that differences in opinion will again begin to even out as time goes by. It is, however, apparent that it will be a long time before the opponents of nuclear power can again be called a clear minority.

The change is, indeed, perceptible since in a certain study conducted in November only a full one-third of Finns opposed the construction of a new large power plant. Thus the number of people opposed to nuclear power and a large power plant has increased 1.5--2-fold because of one accident.

Attitude Toward Nuclear Power Plant

"There are now four nuclear power plants in operation in our country. What would be your attitude toward the fact that a new large power plant in our country would a nuclear power plant -- would you support or oppose the construction of a nuclear power plant or would your attitude toward the issue be one of indifference?"

	All %	Women %	Men %
Support	17	9	26
Oppose	64	74	53
Indifferent	10	9	11
Do not know	9	8	10
	100	100	100

Safety of Finnish Nuclear Power Plants

"The nuclear power plants in operation in Finland are by their construction of a different type than the plant which has now been destroyed in the Soviet Union. What is your understanding of the safety of the nuclear power plants in operation in Finland; are they very safe, rather safe, not very safe or not safe at all?"

	All %	Women %	Men %
Very safe	12	7	17
Rather safe	54	52	57
Not very safe	16	16	15
Not safe at all	8	11	3
Do not know	10	14	8
	100	100	100

Opinions Concerning Nuclear Power

"If you think about the malfunctions that occurred at the nuclear power plant in the Soviet Union, has it changed your opinion about the feasibility of nuclear power under our conditions or has your opinion remained the same?"

	Age Groups				
	All %	18-24 %	25-34 %	35-49 %	over 50 %
OPINION					
Not changed	63	68	64	69	55
Changed	34	30	34	30	37
Do not know	3	2	2	1	8
	100	100	100	100	100

Attitude Toward Nuclear Power

Opinions before accident and after.

	attitude before accident %	and after accident %
Positive	27	16
Uncertain	32	28
Negative	36	54
Do not know	5	2
	100	100

How Have Opinions Changed

	Attitude before accident		
	Positive %	Uncertain %	Negative %
Attitude after accident			
Positive	57	-	1
Uncertain	28	55	1
Negative	12	45	98
Do not know	3	-	-
	100	100	100

The data is based on Finnish Gallup's telephone interviews, which were conducted on 4 May 1986. The number of people interviewed was 331.

Sorsa Still Supports Program

Helsinki UUSI SUOMI in Finnish 7 May 86 p 11

[Article: "Sorsa Still For Nuclear Power"]

[Text] Prime Minister Kalevi Sorsa took a stand on nuclear energy questions for the first time since the Chernobyl accident. Sorsa, who spoke at the Peace and Journalism Seminar in Helsinki, continued to support with certain reservations nuclear power plant cooperation with the Soviet Union and other countries.

"The other side of preventing the proliferation of nuclear weapons is international cooperation in the peaceful use of nuclear energy and in ensuring and improving its safety," said Sorsa.

"The events of recent days demonstrate that there is still a long ways to go in this area."

According to Sorsa, Finland must attempt to increase confidence in international cooperation in nuclear energy bilaterally with the Soviet Union as well as with other neighboring countries, and particularly in the International Atomic Energy Agency.

"The open exchange of information and practical cooperation are the best remedy for this."

According to Prime Minister Kalevi Sorsa's assessment, at this time there does not seem to be a return to the active superpower relationship that prevailed during the time of detente in international politics. He emphasizes that this should also be taken into consideration in Finland's foreign policy.

"It must be recognized that in Finland's foreign policy there has been no permanent solution to the question of what is our role when international relations are bad, tensions are high, and cooperation does not work," said Sorsa on Tuesday at the Peace and Journalism Seminar in Helsinki.

As an indication of this he pointed out the internal debate on the activism or passivism of our foreign policy as well as on taking a stand or remaining neutral.

Prime Minister Sorsa expressed concern that recent development is leading in the direction of unilateral national decisions and the neglect of international cooperation. He emphasized that the right of the more powerful is replacing decisions based on peace and justice.

10576
CSO: 3617/111

ENERGY GREECE

CONSORTIUM DENIES PRINOS PRODUCTION CLOSING

Athens I VRADYNI in Greek 23 Apr 86 p 17

/Text/ There is no thought being given to cutting production at Prinos because of the drop in the price of petroleum. This is mentioned in a communique issued by the firms belonging to the consortium exploiting the deposit. The communique stresses that production costs are still at a lower level than current prices.

Specifically, it is said that production is continuing normally and there is no thought being given to cut production of petroleum and natural gas in the Prinos and South Kavala deposits. The following is mentioned in the consortium communique:

"All products (crude petroleum, natural gas and sulfur) are being sold on the basis of long-term contracts and no difficulty has been encountered for disposing of the entire daily production.

"The consortium recently confirmed to the Greek state its decision to continue further exploitation despite prevailing critical conditions in the petroleum industry. The personnel of the NAPC /as published/ is intensively continuing its studies for the elaboration of a long-term exploitation program that will permit determining the exact locations where new drillings will be carried out shortly. The Pentod-58 rig, that completed the "Western Prinos 1" drilling in December 1985, continues to be moored in the gulf of Kavala waiting for the discovery of further drillings projects in the Mediterranean.

"Through the signing last October and November with Minister of Industry, Energy and Technology E. Veryvakis of contracts according to which the DEP /Public Petroleum Corporation/ participates as an equal member in our consortium, our cooperation with the state and all services of the Greek state is very satisfactory and at the same time we look forward to joint discovery of more petroleum for Greece."

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CSO: 3521/144 END

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West Europe Report

FBIS FOREIGN BROADCAST INFORMATION SERVICE

NOTE

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WEST EUROPE REPORT

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POLITICAL LEADERS COMMENT ON POSSIBLE DEMISE OF LEFT SOCIALISTS

Copenhagen BERLINGSKE TIDENDE in Danish 13 Apr 86 Sect III p 10

[Article by Jesper P. Jespersen: "Politicians: VS Means the Most Outside the Folketing"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The Left Socialists [VS] have played out their role in Danish politics according to the judgment of a number of Christiansborg politicians. The party meant something 19 years ago when its members broke out out of SF [Socialist People's Party] and brought down the Social Democrat government.

There will be dry tears shed in the Folketing if the Left Socialists in an election come in under the limit and are thereby excluded from the political arena at Christiansborg. A number of MP's from right to left in the political picture will in the best case complain because VS is leaving the Folketing.

Seven prominent politicians at Christiansborg with whom BERLINGSKE TIDENDE has spoken commented about Danish politics without VS and the consequences of VS slipping out of the Folketing. The 7 politicians have an average of 16 years behind them as members of the Folketing.

The issue is of current interest because of the unconcealed open split in the party which they themselves in VS admit can lead to a stop of their political work in the Folketing.

"VS has played out its role in Danish politics, and besides it is using too much of the Folketing's time." That is the thoroughly negative comment about the party which has 5 seats, 1200 members and had barely 90,000 supporters in the election in January 1984.

But despite these hard words VS was also praised and emphasized for its "intelligent and well-qualified people, who enrich the work." Some sighed and spoke of Preben Wilhjelm and Steen Folke, and the time when the party was "balanced and shrewd," while others emphasized the current members Anne Grete Holmsgaard, Jorgen Lenger and Steen Tinning as "constructive discussion partners."

Will Continue to Be Opinion Formers

"The importance of VS is not in the Folketing, even though their people work and debate skillfully. It is primarily in cultural life, in the mass media and the theater that VS people are setting the pace."

That is the opinion of the chairman of Center Democrats, Erhard Jacobsen, who personally is indifferent to whether VS slides out of the Folketing. "The debate will not be influenced by whether there is a VS or not, But the party will continue to be politically opinion-forming."

Members of VS will operate in the nation's cultural institutions and in grass-roots movements as long as people from the youth troubles continue to live. But when they no longer have wind in their sails it will be because the movements which they so loyally supported do not either.

That includes the BZ movement, the Vietnam movement and the peace movement. "Look, for example, at the meager participation in the Easter march for peace," said Erhard Jacobsen. He also pointed to the antiparliamentary tradition of VS, in which the BZ are an external parliamentary means which has been working for a long time.

"We are not communists, we are not really anything," is the party chairman's description of VS members, and he does not believe that they waste the Folketing's time.

"They can say that about anybody," said Erhard Jacobsen.

Not a Great Loss

"In my opinion VS is irrelevant."

These were the dry words of Niels Helveg Petersen, who is the chairman of the Radical Liberal Folketing group. He believes that when it comes to pure practical politics VS contribution is very humble.

"Their biggest weakness is that real politics do not interest them. It is therefore very striking that it is in their attitudes toward real politics, such as their attitude toward government cooperation, that VS falls apart," said Niels Helveg Petersen.

"Yes, the time after Preben Wilhjelm," sighed the group chairman. "They were more shrewd in Wilhjelm's time, not like today when they occupy much of our time."

"During the period under Preben Wilhjelm VS played a role in raising questions and issues, mostly in the area of law and order. But it is a long time between drinks, so VS will not be greatly missed if they leave the Folketing," said the Radical leader.

The group chairman and environmental spokesman of the Christian People's Party, Jens Steffensen, spoke entirely differently about the role of the Left Socialists.

Constructive Outlook

"I will miss VS in the environmental area, where they have asked many legitimate questions. They are good discussion partners, especially Anne Grete Holmsgaard who has a constructive political outlook." said Jens Steffensen, who absolutely will be sorry if VS leaves.

"It is important for the Folketing and for democracy that there are representatives of all social groups which are capable of gathering voters," said the chairman of the party which has five seats in the Folketing, as does the Left Socialist Party.

VS and KRF are below the minimum limit in the number of seats if one believes the Gallup poll which was taken during the period that the Folketing approved the Easter package. Many VS votes will apparently go to the Socialist People's Party.

Gert Petersen, who is both the party chairman and political spokesman for SF, believes that it would be too bad for democracy if VS slid out of the Folketing. But when it comes to economic policy the party does not play a role.

"With their very square attitude toward economic policy they cannot play a part, but in other areas, such as environment and education, they will be missed.

"VS has become more realistic in their Folketing work, and therefore they have been able to exercise a certain influence," said Gert Petersen.

The vice chairman of SDP, Ritt Bjerregaard, will not complain if VS leaves the Folketing.

"I see it as a big advantage if there are fewer parties. But I will be sorry because of some of the people who are in the Folketing," said Ritt Bjerregaard.

She believes, however, that there will always be others who will take over VS' role as watchdog, so in that way the party will not leave an empty space behind.

"But they played a role when they were formed and brought down the Social Democratic government," admitted Ritt Bjerregaard.

Enormously Little Influence

Flemming Jensen, who is the vice chairman of the Conservative Folketing group, believes that there will spontaneously be shorter meetings if VS leaves the Folketing.

"They are of course exceptionally energetic, mostly in the foreign policy area, where their work is definitely not especially enriching.

"But they are very clever and well-qualified and do good work in other areas, for example sports policy," said Flemming Jensen, who does not believe that there will be an ideological or a political vacuum in Danish politics after the departure of VS.

"That wing is certainly well-represented by, among others, SF. But the influence of VS is immensely small because they are so exaggerated. They are so far from the middle, where the center of power is located, and they therefore have no influence on the country's policies," said the vice chairman, who will shed dry tears if VS leaves the Folketing.

Liberal MP Bjorn Elmquist looks at things from a tactical standpoint, and he would be annoyed if VS left because it is better to have many parties on the leftwing who disagree than to have one big party.

"But they are not living up to the realistic recognition that one does not win votes in committee meetings. That is one of VS greatest weaknesses, that they do not understand that they have not convinced the rest of us of their viewpoints," said Bjorn Elmquist.

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'COMMON COURSE' CLUB CONVERTS TO POLITICAL PARTY

Copenhagen BERLINGSKE TIDENDE in Danish 20 Apr 86 p 6

[Article by RB: "Common Course As a New Political Party"]

[Text] The organization Common Course Club decided on Saturday at a congress in Copenhagen to change its status to a political party and stand in the next Folketing election, announced the chairman, Preben Moller Hansen.

"We have already had forms printed for the collection of 25,000 signatures, so the party Common Course will be qualified to run," said Moller Hansen, who is also chairman of the Seamen's Association.

"A new workers' party has seen the light of day, and we ask socially thinking people to join Common Course (FK). If the government's reactionary policies are to be stopped, it is necessary to have more power on the leftwing," said a statement.

"LO [Trade Union Confederation] and the Social Democrats have shown in practical politics that they approve of cuts. The Socialist People's Party is not the renewing force in Danish politics. Today it is in reality a new social democracy. FK is set up as Denmark's new labor party which is determined to turn developments in a positive direction for those who are hit by the policy of cuts," it says in the statement.

9287
CSO:3613/131

LEFT SOCIALIST MP CRITICIZES PARTY FOR LACK OF ACTION

Copenhagen INFORMATION in Danish 26-27 Apr 86 p 5

[Text] The activity level in the Left Socialist Party [VS] is abysmally low and in many ways it is the job of the Folketing group to conceal how bad things really are in the party.

VS Folketing member Jorgen Lenger made these charges in an internal paper on the current situation in the party, according to an article in POLITIKEN on Friday.

In the internal paper to the VS executive committee, Jorgen Lenger wrote:

"The organization lacks expertise and insight and there is little sign of new ideas and the concrete realization of visions. It is a question of whether we can morally justify the pretense that everything will turn out all right on this basis."

Jorgen Lenger also criticized the work of the Folketing group:

"We have a Folketing group that functions in direct contrast to the party's own political principles. We should be working collectively, but we are working quite separately," he wrote and continued that "in many ways its task is to camouflage and smooth over how weak VS really is."

Before and after the party's theme congress in February VS has had heated discussions on the party's attitude toward a future cooperation with the Social Democrats in a labor majority. Jorgen Lenger wrote of the party's role in this kind of labor majority:

"It is extremely unlikely that we can cast the decisive votes on important decisions. As an organization VS is not equipped to enter into cooperation with a much larger Social Democratic Party."

It was not possible to obtain a clarifying comment from Jorgen Lenger on Friday.

6578
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POLITICAL FINLAND

CENTER PARTY PREPARING ACTION FOR VAYRYNEN CANDIDACY

Kaariainen Possible Vayrynen Successor

Helsinki UUSI SUOMI in Finnish 27 Apr 86 pp 24-25

[Article by Kari A. Nurmela: "Kaariainen Ready for A New Start, Center Party Secretary To Resign from Post in 1988"]

[Text] At the same time that Paavo Vayrynen is consistently drawing away into worldwide politics, Seppo Kaariainen, 38, has become a real power figure in the Center Party.

Many within the party see Kaariainen's chairmanship as quite natural at the 1988 party congress in Kajaani.

A provincial man, who knows the ins and outs of urban politicians. A "different" kind of man among politicians who have already become stereotypes. This is refreshing.

Seppo Kaariainen is now running at full speed, major elections are at hand in his political career.

He begins to speak a prosaic Savo dialect after approximately 15 minutes -- after he really gets into a speech.

At that point he is coming to the final part of his speech.

His hand has already been raised from the side of the rostrum to give emphasis to his words. It is somewhat awkward, but when accomplished by a big man there is sufficient power.

Savo Phraseology

Seppo Kaariainen begins his speech with an effective bear hug, in which the man's outward being and intimate approach create a perceptible contrast: "Sisters and brothers..."

At the end he talks about how many seats the Center Party should win in the coming parliamentary elections:

"The Center Party must obtain 40 seats -- we already have 37 capable representatives."

He himself a sturdy fellow -- height 184 cm and weight 100 kg -- talks to the voters in Yla-Savo, Siilinjarvi. Next year's candidates for parliament will be chosen at this meeting and, therefore, even the party secretary, who is up for nomination, must put forth his best. Indeed, he is considered to be a vote-puller in Yla-Savo.

Kaariainen discusses the Center Party's position in government cooperation, with a well-meaning hand he slaps the Social Democrats as well as the Conservatives.

He places the Finnish flag on its staff while pointing out that the interests of the fatherland should be uppermost even in election work -- "and that there should be a wide interval and only then the Center Party". With the confidence of certain victory he places the candidate himself last.

One of the speakers from among those attending the Siilinjarvi district meeting put this trinity in the following form: Fatherland, party, and clever manipulation.

"Votes Must Be Garnered"

"I want to tell you in no uncertain terms that even though there has been some serious arm-twisting in the government, the SDP and the Center Party are capable of cooperating reasonably well... But there is one condition on which we insist -- the SDP cannot dictate its own policy, this will not work at all.

"Area policy is our life's lifeblood. The province must be supported from one corner to the other. We have the good word, we have the deeds, the others are only talking nonsense.

"There are votes that are dead certain, but others must be garnered -- additional votes are needed."

The people have already been committed, the listeners are bound as if by oath to the epistle of the preacher. And since the beginning embraced love and kindness, the speech is concluded in the same manner.

"I wish you health and inner peace."

Thunderous applause!

This is familiar to Seppo Kaariainen -- there where he speaks, the people are not left cold.

Politics with Feeling

Seppo's power lies in the fact that he is able to make politics with feeling, he is what he is, and he does not cover up his roots.

This is how Center Party Vice-Chairman Martti Pura describes the fundamental nature of his contemporary.

Pura likes this kind of style. He is himself a natural born agrarian idealist, who lets things go at full tilt.

This pair, who have rummaged around the party's organizations for a long time already and know each other exceptionally well, is called by the title "Birch and Star politics". Pura is the birch and Kaariainen is the star.

Seppo Kaariainen has for quite some time already been a serious alternative (since the 1980 Turku party congress) in the Center Party leadership. At that time when Vayrynen was being subjected to serious verbal attacks, Kaariainen quietly and gradually became a person of real influence.

And even more, within this pair the party rank and file have become aware of the substance of a leader.

"Vayrynen Is Now The King"

People are playing the game of what if in the Center Party. If Vayrynen becomes president in 1988, then Kaariainen will become party leader at the same time.

But this is a game of what if -- the fact, however, is that Seppo Kaariainen will take a serious step into national politics next year, he must run for MP if he intends to aspire to greater heights. Chairman?

"It is not connected with this -- the chairmanship is a different matter in itself. Perhaps sometime," states Kaariainen himself.

"I am not qualified to talk about my support for the chairmanship, I know that there have been discussions of this matter among the rank and file.

"Also I will not say that I would not consider running for chairman someday. But that is then... the political situation may be different, and so on. Vayrynen is now the king, a strong king, who has an unshakeable position in the party."

He talks in this manner while admitting at the same time to being interested in the idea of being a Member of Parliament. "One must be interested, otherwise one cannot manage."

Sankiaho The Reason for Politics

Seppo Kaariainen, the son of a small farmer from the rural community of Iisalmi, presently a candidate of political science, a 20-year resident of Helsinki, entered politics merely by chance.

"It is Risto Sankiaho's fault. I was his assistant at the University of Helsinki. Sankiaho sat next to Jouko Loikkanen in the Helsinki City Council, and

Loikkanen once asked if he knows any young man in the Center Party who could be recruited as a research secretary for the party. Sankiaho said he knows someone. This happened just before the 1970 party congress in Mikkeli.

"Loikkanen was not elected party secretary, Mikko Immonen was elected, and he then hired me.

"Sankiaho was of the opinion that I should unconditionally go into politics. But it was by chance, I was thinking about continuing my studies.

Two More Years As Secretary

Young politicians do not really know anything other than politics, this has been Kaariainen's fate. The whole time in the party office.

"One cannot in any case retire from this business. One can do this as long as one thinks of it in a limited time frame.

"But, I have been thinking that I will leave the affairs of party secretary to someone younger in 1988."

There are five good men being brought up on Kaariainen's coattails in the party office, among them individuals from Helsinki.

As a man with feelings Kaariainen says that a politician will not become apathetic or cynical if he remembers to communicate with the people and experience real life. "Stay humble."

Kaariainen does not reveal what he expects from the future, he admits only to accepting the whole political repertoire as it is presented.

His Own Policy in The Center Party

From time to time he does, indeed, toy with the idea of quitting and becoming the editor of SAVON SANOMAT when agonizing over problems in the morning in the party office -- but no longer in the afternoon.

He is a hard worker and energetic. He is interested in confrontations.

"From time to time it is necessary to wrestle with other parties. I always end up on the floor, heh, heh... I am not as enthusiastic now, but it would not be good to give it up either.

"It is not repulsive, but sometimes it is unpleasant when one is compelled to speak very rudely.

Kaariainen has, indeed, conducted his own policy within the Center Party. Although no major schisms are visible, there have been minor squabbles with Vayrynen merely for the reason that the men are completely different types. In questions of policy Kaariainen is a point to the left of Vayrynen.

The two men are presently of differing opinions on energy issues: Kaariainen is a rather strict opponent of nuclear power, Vayrynen is not.

Likewise, Pura along with Kaariainen does not agree with Toivo Ylajarvi's agricultural philosophy, which has been a thorn in the side of the Center Party.

And the party secretary's messages have not, otherwise, always been breathlessly followed within the party.

"In my opinion, he has displayed slightly too much antipathy toward the Conservative Party," says chief editor Kari Hokkanen, member of the Center Party's council and executive committee.

"One Cannot Hide from Oneself"

As the representative from Ostrobothnia Hokkanen does, however, give full recognition to the colorful party secretary.

"He is now very much liked even in Ostrobothnia even though his election was once opposed here. Even his Savo dialect is accepted here.

"Authenticity and honesty radiate from Kaariainen's speeches.

"The subject may be popular, but he does not, however, come across as a populist in his speeches. Indeed, they do deal with the issues and are consistent."

Kaariainen himself says that both feeling as well as reason must be visibly present.

"One cannot hide from oneself. Playacting does not succeed in politics. One can exhibit feelings and there should even be a little passion.

"Here in the provinces a dialect is accepted, but in Helsinki one should attempt to speak proper Finnish."

He is a genuine politician. Even though it appears that the strong speeches and use of dialect are part of his nature, there is also a large dosage of conscious image building in everything he does and says. His bearing and threadbare jacket give a personal stamp, with which the rural members of the Center Party can easily identify.

Real Struggle in Helsinki Area

Kaariainen considers his greatest victory to be the fact that he successfully helped put the party back together again after the disruptive presidential elections.

And, naturally, Party Secretary Kaariainen believes that he can go from the country to the city with this same image. Genuineness is sufficient.

He admits that real political struggles are waged in the capital city area, and he will gladly tell you what the Center Party has already accomplished in this area. He also refers to the struggle between Vayrynen and Ilaskivi. And he promises that the Center Party wants to influence urban Finland through parliamentary and government policy.

Does not everyone do this?

"But we also emphasize environmental questions, green values, and increased democracy.

"In practice, urban thinking will become apparent in a new manner after the Lappeenranta party congress -- I hope that someone from the capital city area will be elected as one of the vice-chairman.

"Indeed, others try to make us talk about farm policy only. Even though the agrarian stamp is, of course, visibly present in the Center Party, the party should have a keel," explains the man about whom the party's own rank and file says that he is the party's first real party secretary.

Platform Ready in June

Helsinki UUSI SUOMI in Finnish 28 Apr 86 p 7

[Article by Kaija Lahteenmaa: "Presidential Candidate Paavo Vayrynen: 'Presidential Candidate Must Now Be Given Time To Work in Peace'"]

[Text] Turku--The Center Party will place its presidential election platform on the table at the party congress in June after the party has officially elected Chairman Paavo Vayrynen as its own presidential candidate.

According to Vayrynen, a long silence will, however, follow the party congress: the Center Party will not enter the presidential election campaign in earnest until the fall of 1987.

At a meeting of the Center Party's party delegation held in Turku on Sunday Vayrynen made the assurance several times that the Center Party will not play the presidential game and will not practice a "policy of pinpricks" against the incumbent president.

Vayrynen appealed to his own rank and file as well as to all the Finnish people to now give "all possible, probable, and known presidential candidates" time to work in peace.

Foreign Minister and Chairman Vayrynen saw no problem in the fact that the foreign minister is competing for the presidential post with the leader of foreign policy, the president.

"Complete unanimity prevails in foreign policy," says Vayrynen.

Strike Must Be Brought To An Immediate End

The Center Party's party delegation issued a political stand, in which it stated that it considered it imperative that the public employees' strike be brought to a quick conclusion in a manner satisfactory to both parties.

In the opinion of the Center Party the representatives of the employer side or the state should exhibit a greater desire to negotiate instead of repeatedly criticizing the views of the employee side in public.

"In order to reach an agreement, the necessary income revisions must be directed toward the low and middle income groups, and inequities in the contract structure should be corrected gradually," demands the delegation.

Ban on Land Clearing Approved

The Center Party is ready to approve the limiting of land clearing agreed upon in the farm income solution. However, as a condition the party delegation demanded that the ban does not affect "typical family farms".

The Center Party's parliamentary group has previously rejected proposals from its agriculture minister regarding limits on land clearing.

The Center Party wants to clarify the negotiating system for farm income in such a way that agricultural and social policy decisions will be left to parliament and the government.

The decision was in compliance with the demands presented by Chairman Paavo Vayrynen on Saturday.

Paper Views Vayrynen's Tactics

Helsinki UUSI SUOMI in Finnish 29 Apr 86 p 2

[Editorial: "In Places! Ready! Stop!"]

[Text] In Finland all power is vested in the people. For the time being, however, Finns do no know how they will elect a head of state in January 1988. Because of the shortsighted tactics of the parties, it is still unclear as to whether indirect elections will be held as in the previous manner or whether a transition will be made to a new election method which will provide an opportunity to vote for the presidential candidate as well as the electoral candidate.

It is also not known whether Mauno Koivisto wants to continue as president of the republic. The Social Democrats are talking in favor of a short election campaign since the incumbent president will in any case receive publicity the whole time while, on the other hand, it will be difficult for the competing candidates to advertise themselves without a special campaign.

The only certainty regarding the next presidential elections is that the Center Party will nominate Paavo Vayrynen as its presidential candidate at the party congress to be held in June in Lappeenranta. However, there will be a pause after the starting shot: actual election work will not begin until the fall of 1987.

In objecting to the nomination of Vayrynen as a candidate at this time already certain leading Social Democrats have hinted at conflicts which may arise for the reason that the president of the republic and the foreign minister will be competitors in the next presidential elections. Vayrynen has with good cause dismissed such insinuations. It is doubtful that a dispute over foreign policy can arise. Vayrynen has avoided making any comments on Koivisto's actions in domestic policy.

Moreover, the sphere of possible presidential candidates in Finland is so small that inasmuch as several candidates, in general, are desirable, they will also be competitors in one way or another outside of the presidential elections.

According to his own words, Vayrynen will become a presidential candidate 19 months before the elections already since the rank and file so desires. Party leaders, however, tend to trust blindly in the opinions of the rank and file when it seems to be a wise tactic.

The flavor of tactical actions was strengthened by Vayrynen's assessment of the achievements of the red earth government, on the one hand, and the future outlook of the government base, on the other hand. The chairman of the Center Party admitted surprisingly openly that the joint governments of the center and the left have not really been able to promote the goals which a "growing non-Socialist majority" considers to be important. He demanded that the party broaden its attitude toward various government alternatives.

The point of Vayrynen's tactical speeches is clear. According to a recent opinion poll, the combined support of the left wing is now only 36 percent. In addition, Koivisto's personal popularity is declining. If the new election method is in effect in January 1988, it is quite possible that Koivisto will not have the majority of voters behind him and that the electors of the Center Party and the Conservative Party will together be able to determine the result.

However, there are many unknown factors in the equation. Perhaps the most influential factor is the reputation which Vayrynen has acquired by his previous actions among Conservative Party supporters. In the opinion of many, Vayrynen is even personally responsible for the fact that in the formation of governments it has not always been the custom "to take the opinions of the majority of the people seriously into consideration". In the Conservative Party people recall what kind of conditions Vayrynen has previously set forth for the party.

Vayrynen's sudden verbal change is much too awkward to captivate the Conservatives. Whether he has something else to offer will only become clear after the next parliamentary elections. The parliamentary elections and the already commenced presidential game belong together even though the parties will not admit this. And why should they not belong together since it is a question of the same issue in both elections: to whom will the people give the mandate to rule.

10576
CSO: 3617/106

POLITICAL FINLAND

'MODERATE' CP WING'S PAPER ASSESSES SORSA FOREIGN POLICY TALK

Helsinki KANSAN UUTISET in Finnish 9 May 86 p 2

[Editorial: "Sorsa's Speech"]

[Text] Prime Minister Kalevi Sorsa has taken a stand on Finnish foreign policy. Speaking at a peace seminar for journalists, Sorsa said that in Finnish foreign policy no permanent decision has been made on the question of what our role is when the road conditions in the international arena are bad, when tension is high, and when cooperation is poor. As an example of this, he mentioned the domestic debate on the activeness or passiveness of our foreign policy as well as on neutrality or taking sides. If a policy of detente which supports the goal of cooperation between superpowers does not seem feasible, what is the alternative, asked Sorsa: protest, passiveness, isolation, or perhaps some new schemes for cooperation?

It is interesting that the head of government thus introduced a fresh breath of air into our foreign-policy atmosphere, where clear signs of stuffiness have been perceived. There may be several motives for Sorsa's speech, and the decision to hold it now was certainly influenced to no small degree by Foreign Minister Vayrynen's entry into the presidential race. After all, Vayrynen has shifted to an increasingly conservative stand on foreign-policy issues and has even approached the "realism of disgust" cultivated by Max Jakobson, in which Finland recklessly pursues its own interests and shuts its eyes to violations of the United Nations Charter. This has been noted in the West and evidently in the East as well.

If we disregard certain illogical points of emphasis which appear in Sorsa's speech, we could conclude that its message is a call to exercise a more active peace policy. It is, of course, paradoxical that this is not a new "issue" but a return to the way things were before. After all, the key concept of Finnish foreign policy is peace policy: our national existence is based on it.

Sorsa's speech was, in any case, a welcome shot in the arm. Both the debate on foreign policy and some of our country's foreign-policy measures have been characterized in recent times by a downright excruciating passiveness: opportunities have been wasted, and new ones have not been creatively sought. There is a need both for more active involvement when the UN Charter is violated--for example, in South Africa or in the attack on Libya--and for the more creative imagination called for by Sorsa when we seek new forms of cooperation which promote peace. After all, Finland has not yet announced its clear-cut support for the far-reaching peace program recently approved by the Soviet Union, a program which substantially benefits our country's security.

12327
CSO: 3617/112

ARTICLE QUESTIONS PURPOSE, NEED FOR SYRIAN LEADER'S VISIT

Athens I KATHIMERINI in Greek 22 May 86 p 8

[Article by E: "Arrivals..."]

[Excerpts] Very few things are known, both in Greece and abroad, about our brother Hafez Al-Assad, who is arriving as our official guest on 26 May.

While closely connected with our other brother, Col Al-Qadhdhafi, he is a leader with a completely different style, both in looks and behavior.

One thing, however, is certain.

Our guest is a true dictator. No one knows what the freedom he grants to the Syrian people is, but as for offering them the freedom to choose their own leader, this is not something that preoccupies him.

We say this so that our own officials will not start prattling about democratic freedoms and human rights in the various speeches that will be exchanged with him or the officials in his entourage. A man of few words and of serious behavior, without Al-Qadhdhafi's theatrical pronouncements and threats, Assad plays an important role in the troubled world of the Middle East. He is of course closely allied with the Soviet Union, which supports him with more generosity than many of its other allies.

The day before yesterday, a dispatch from the Associated Press mentioned that the Soviet Union is ready to give friendly Syria a significant "gift." Supermodern weapons, 80 MiG-29 and SS-23 missiles, the most advanced equipment in the world's arsenal. Assad will address his thanks to Moscow, a new wave of concern will engulf the region, Israel will start counting its forces and pressuring the United States for more assistance, and as for us, we will continue on the eccentric road we have chosen, a road that is increasingly isolating us and putting more distance between us and our traditional friends and allies.

"But we did not choose him! At least not all of us!" Fearful and angry friends of the West are rightly attributing the responsibility to the PASOK, to Andreas, while noting that the way things are going, we shall have only Albania on our side and we shall be searching for a way to salvation....

There is no hope on the horizon at this time. In a few days, we shall see the Syrian flag flying in our streets. Until then, perhaps we can find out more about our high-ranking friend.

There is one question, however, that we shall probably never get an answer to, and that we shall--discreetly, quietly and among some of us--ask about.... Why exactly did we need him?

/9274
CSO: 3521/148

ERRATUM: This Brief republished from JPRS-WER-86-044 of 9 May 1986 to make a translation change.

BRIEFS

ERRATUM: U.S. AMBASSADOR BLAMED--It seems that the U.S. ambassador in Greece has a strange conception of what his behavior should be during the time he is serving in our country. There is no other explanation for his recent attempt to invite Greek newspapermen to the U.S. Embassy in order to present to them an analysis of his policy as ambassador of the United States. Some of his first apologias have already been published, and more are threatened. Instead of practicing such "lobbying" activities, the U.S. ambassador--who indeed claims he knows our country and our people, since he had lectured the U.S. Congress on this subject even before coming here--should rather recommend to members of his family to be more careful, and he himself should stop making public comments on parties and personalities of Greek political life. [Text] [Athens POLITIKA THEMATA in Greek 4-10 Apr 86 p 10] /9365

CSO: 3521/132

GOVERNMENT REPLIES TO DC ACCUSATIONS

Rome L'UNITA in Italian 25 Apr 86 p 8

[Article by Guido Dell'Aquila: "San Marino Rejects All the Accusations"; first paragraph is L'UNITA introduction]

[Text] The little state responded to the aggressive campaign unleashed by the Christian Democrats. Revision of the Italian indemnity. Tax evasions and flags of convenience. Arms, gambling houses, TV, airport. An agreement would be desirable.

The San Marino government rejected the charges point by point. It denies having violated the agreement with the Italian state, in effect since 1939 (and frequently violated), or of having created di facto situations conflicting with that agreement. And the arms traffic? And the drug pushing? And the haven for tax evaders? Indeed, what about the whole range of accusations which DC [Christian Democratic party] senator Bernassola and the Rimini Chamber of Commerce had prepackaged, provoking a tense situation between the two sovereign states, to the point of risking a break in relations? The San Marino government authorities, who with great fanfare had called a press conference, organizing two private air flights of journalists from Milan and Rome, have no doubts. The DC senator and the Christian Democratic groups are in strange concord with the local Christian Democratic party. In fact, it is claimed that the whole operation tends to "discredit" the little republic in the eyes of the Italian people and other European states, and may be considered a rather crude campaign to support the "brother" San Marino party which has been forced for 8 years to relinquish the government to leftist forces.

Thus far, this is the local authorities' analysis. But it is interesting to examine the disputed points in a little further detail. That is to say, what is the basis for this apparently artificial controversy? And here perhaps a little background is needed. For nearly half a century the Italian state has been granting the San Marino state an annual indemnity for the "sacrifices" the latter is forced to make. The principal "sacrifices" involve giving up: coinage of money, having customs areas, opening gambling houses, selling for its own account merchandise subject to a manufacturing tax, having its own radio-television broadcasting station. Revision of this indemnity, which the Chamber of Deputies already decided to raise from four and one-half to 9 billion, has recently been under discussion in the senate foreign affairs committee. Now comes the DC initiative, joined by the PLI [Italian Liberal Party] and the PSDI, [Italian Social Democratic Party] although with differing arguments and emphasis.

It is stated in substance: How can one increase the indemnity to a country on the verge of denouncing the agreement? And for Bernassola the fact that a gambling house has been constructed, that it has been unilaterally decided to open a radio-television station, and that an airport runway has been constructed (another link for San Marino) demonstrates that the San Marino authorities are on the verge of denouncing the drafted agreement, and that--the Rimini Chamber of Commerce adds, with remarkable timing, in its white book--they show no intention whatsoever of curbing the spread of tax evasion. And then there are further reports of the free sale of arms, and of phantom flags of convenience reportedly covering obscure illegal or terrorist dealings.

San Marino replied immediately. An urgent request for a meeting is also pending on prime minister Craxis's desk. In substance, the Italian government is requested to distance itself from the DC positions and to continue its efforts to seek agreement on the disputed points. Meanwhile, Giordano Bruno Reffi, secretary of state for foreign affairs, affirms that no di facto situation whatsoever has been created. The gambling house is none other, in fact, that the congress building closed in 1953 to that kind of operation. The airport runway is a 200 meter unpaved clearing for gliders. The radio-television station is merely a request; made legal, incidentally, by the 1976 sentence of the constitutional court which liberalized broadcasting on Italian territory, (as Susanna Agnelli, herself, undersecretary of foreign affairs, recognized). Meetings between the two states to reach mutually satisfactory solutions to the tax and banking questions are underway. The sale of small arms to San Marino citizens or residents is permitted, while heavy weapons are sold under the control of the gendarmerie, subject to purchaser identification. As for flags of convenience, not even an Italian Register of Shipping operates in San Marino, and no vessel flies the San Marino flag.

These are a few of the responses that the little state made to the Christian Democrat accusations. There is no agreement between the two states on many of these points, but the terrain chosen by both the partners is one of negotiations, as has always been done in the past. And the path of negotiations seems to be the only one leading to good relations in the future. Provided of course that the DC does not consider San Marino another Italian municipality in the hands of the Left, to be reconquered by whatever means, including lies and hoaxes. If such is the case, many things would become comprehensible.

9772/12851
CSO: 3528/129

PSD, PS ALLIANCE SEEN AS INADEQUATE SOLUTION

Lisbon O DIABO in Portuguese 15 Apr 86 p 2

[Commentary by Jose Miguel Judice]

[Text] The manner in which the political parties will probably present themselves to the electorate, should early elections by held, is emerging just as the CDS holds its congress. The winners in the CDS and PS will have to assume the leadership of parties that are practically divided down the middle. In the PSD and PRD the political and personal strength of Cavaco Silva and Ramalho Eanes is overwhelming and it can be said that the militants and the leadership are unanimous in their acceptance of the top leader.

Therefore, we must begin to think in terms of the different parties' politics of alliances, especially the PSD because it occupies a key position. It does so, not only because it is the governing party, but mainly because the main possible alliances depend on it. There are four options open to the PSD. The first of these involves an alliance with the PS, the second an alliance with the PRD, the third an alliance with the CDS and the fourth a rejection of any overall national alliance.

The political evolution of Portugal will differ according to the option chosen by the PSD. Obviously, this will not only be so in the short term. The PSD's strategy of alliances will probably affect the medium term, especially since the Portuguese political system is going through a phase of great plasticity. This means that short term decisions tend to create or favor changes in the correlation of forces and even the composition and number of existing parties. For this reason, it will be understood why I will dedicate a few articles in this column to the various possibilities noted above. I will begin with the least probable, least desirable and least logical of all of them: a national level coalition strategy involving the PSD and the PS.

This proposition has been made by Alberto Joao Jardim in the PSD and it seems to be based on two arguments. On one side there is Gen Eanes who was Sa Carneiro's main enemy and the PRD has not defined its position. On the other side, the CDS would not permit the PSD to obtain a majority in the Assembly of the Republic were they to form an alliance. There is an implicit thought in these arguments that assumes an alliance would be formed with legislative elections being held. It further implies PS acceptance to form a government, at a given time, in which the prime minister would be a member of the PSD and, it seems, he would be Cavaco Silva.

This is an improbable, undesirable and illogical alliance. It is all this either under the supposition that there will be no elections or under the supposition that early elections will be held. This is improbable. In fact Cavaco Silva's personality, the PS's record, the rivalry between the two parties would suffice to make this a purely speculative solution. To this must be added factors that are more far reaching which should be explained. The first of these is the simple fact that the PS has chosen a new leader without arriving at a consensus.

It does not matter who the winner is at the PS congress. Whoever it is knows that he will be forced to ally himself with the PSD and its government at the 1988 congress. This is the reason that the PS in reality will lead the opposition. In addition, what future would a secretary general have in the PS if he were to propose a solution making him number two to Cavaco Silva?

The second factor in all this would be the protests from the PSD's supporters in the event of such an alliance especially since recollections of the Freitas do Amaral campaign remain. Should the PSD choose to remain in power at that price, it would inevitably be penalized in the inevitable elections in 1989. Would Cavaco Silva then endure the 1988 congress.

However, this solution, in addition to being improbable, is undesirable. This is particularly true for the PS. In fact, the PS is recovering from a serious crisis which Soares' election merely hid. The crisis is ideological and cultural (How to be a socialist at the end of the 20th century?), strategic and political (How can the PS lead the Left?) and psycho-sociological (How to attract voters without losing its identity?). The worst thing that the PS could do would be to accept a subordinate political role in order to return to power.

The PS must prepare itself to lead the Left and make the PCP a small marginal or satellite party. It must renew its faith in its roots. It must participate actively and without complex in revising the constitution. It can only do this as an opposition party. The PS cannot continue to try to fill the space more to the right than is normal and, above all, do it under the hegemony of a mediator.

Finally, this solution is illogical. In fact, had the PSD's goal been to form an alliance with the PS, it should not have invested politically in its right by supporting Freitas do Amaral. It should not have forced legislative elections that in a way contributed to the results the PRD was able to obtain. It should not have chosen to strengthen itself in its confrontation with the PS in, for example, the UGT.

Certainly logic is not everything, not even the essential thing, in politics. Nevertheless, it is still something. No one can build something solid on dreams and absurdities. A pre-electoral or post-electoral alliance with the PS is now, and in a foreseeable future filled with conjecture, an unreal and inadequate solution for the Portuguese political regime.

If this is so, then the need for the PS and the PSD to consider themselves privileged interlocutors is something entirely different. They are the two main Portuguese parties between which power alternates and they are the fundamental agents of modernization and creators of conditions for prosperity. To this end, they must be aware of the fact that they belong to what I have been calling "the constitutional arc." This means that there must be contacts, consultations and collaboration for the good of overall national goals which must be separate from the place (government or opposition) each party occupies.

9935/9435
CSO: 3542/92

PSD ALLIANCE WITH CDS JUDGED UNSUITABLE

Lisbon O DIABO in Portuguese 29 Apr 86 p 2

[Article by Jose Miguel Judice]

[Excerpts] A consensus is forming in Portuguese society with respect to the advantage or inevitability of the political alternative becoming one bloc headed by the PSD [Social Democratic Party] and another led by the PS [Socialist Party]. Perhaps this will displease one or another politician caught against the course of history, but it is certain that only pure surrealism could bring some militants of the PSD or the JSD to defend a preferencial alliance with the PS precisely at a time when the only thing that Gama and Constancio agree on is the rejection of an alliance with the PSD!

Be that as it may, this brings up the question of an alliance with the CDS [Social Democratic Center Party], theme of this week's article, after having here excluded in the past 2 weeks an alliance with the PS or with the PRD [Democratic Renewal Party]. Should the PSD form with the CDS a new AD [Democratic Alliance], a pre-electoral grouping materializing in joint lists? For some in the PSD, it should not form any type of alliance, and agreeing with this are many members of the CDS who abandoned it after the victory of Adriano Moreira. For others, the AD should be resurrected. For me, neither the one nor the other should be adopted as the strategy of the PSD. But let us proceed by steps.

An alliance with the CDS (or its rejection) has nothing to do with who leads it, but with the party in itself, which obviously is not substantially altered since its change of leadership.

It would be absurd, therefore, to decide a priori and with negative bias the question of an alliance with the CDS based on its internal voting. Such a question should be decided concretely and in accordance with programs, situations, and plans. My disagreement concerning the advantage or utility of a pre-electoral alliance with the CDS at a national level has to do with other factors and is completely indifferent to the name of its leader. It has to do with two orders of reasons, each of which in itself justifies rejection of this option.

The first reason is psychological. For a varied complex of circumstances, the electoral "weight" of the PSD is very disproportionate in relation to the CDS. It would not be an exaggeration to place it at a ratio of 3.5 or 4 to 1. Joint lists drawn up on this supposition would inevitably be an institutionalized source of friction and bad feeling, since to respect this proportion would be taken by the CDS as a humiliation and not to respect it would be taken by the PSD as an unjustified concession. And within each party a guerrilla war would break out over the decision taken.

The second reason is political and cultural. There exists without a doubt a sociological magma that made the AD something more than an arrangement between parties. This was proved by the campaign of Freitas do Amaral. But there does not exist a community of objectives or solidarity of membership or even of militants in the two parties, just as there does not exist a strong social movement in the sense of a coming together and alliance between the two. On the contrary there exists a social tendency contrary to party alliances and to the laborious and sometimes shameful negotiations to which they lead. For better or for worse, the environment favors the monocolor, and the growing cultural debate is emphasizing ideological and programatic positions, that which separates the parties and not that which they have in common.

A pre-electoral alliance at the national level, with joint PSD-CDS lists, would be an artificial solution today--limiting, a potential generator of conflict and tension, certainly more stable and equilibrated than the central bloc alliance, but surely more inefficient and problematic than the minority government that exists now.

The central question remains: The nation needs a government with majority support to preserve a legislature and make reforms; the PSD needs to open up; and the non-socialist electorate does not want to scatter its vote and thus end up indirectly favoring the socialist bloc.

This being the case, one question remains open, in the final analysis the essential one: How would it be possible to achieve solutions that respond to the needs mentioned above, if the PSD rejects an alliance with the PS or the PRD or an alliance with the CDS of national scope and joint lists? How would it be possible for the PSD to gain majority support in the Assembly of the Republic?

The answer, and there is an answer, remains for next week's article, which ends the series of four that I have written on the subject.

12942/12947
CSO: 3542/100

SYRIA SEEN AS STUBBORN IN REACTION TO TURKISH PROBLEMS

Istanbul CUMHURIYET in Turkish 3 Apr 86 pp 1, 11

[Commentary by Cuneyt Arcayurek]

[Excerpt] Ankara - Some of Turkey's "internal problems" also came up among [National Assembly] cloakroom conversations. A favorite, of course, was to dissect the state's success in the measures it is taking and actions it is performing against the brigandage in the southwest. Interior Minister Yildirim Akbulut sees the "distinctions between state and popular tendencies" this way:

"I know," Akbulut said, "If we went out on the street, our people who are closely acquainted with the sources of the brigandage would want them hit and wiped out at the source."

The problem surely came out of the difference of opinion in this regard with Syria. The Syrian prime minister's visit to Turkey was perhaps useful from this standpoint. But no discernible concensus was reached on our ways of looking at the problem. According to Syria, the training at guerrilla camps located in its country is not aimed at Turkey in any respect. They are camps more against Israel, having to do with the Lebanon problem. As soon as Turkish authorities started talking about gangsters coming to Turkey from camps in Syria, they got firm denials in response. Nevertheless, state intelligence has evidence that many of the gangs coming into the southeast and committing crimes hide out in Syria and are even trained there.

There should perhaps be no doubt of the Syrian prime minister's good will, but Syria's main problem is "water." While denying that anyone is coming out of their camps, he is also asking Turkey for assurances about water, but Turkey does not consider it appropriate to give this one-sided assurance -- especially in a written text -- as long as incidents like this are going on and when it knows that the guns shoved in its belly are coming from Syria.

The date for Prime Minister Ozal's official trip to Syria has not been specified yet. Even so, an undertaking such as the prime minister's going to Syria "as soon as possible" and placing our weight on the outlaw problem and getting realistic results is being carefully considered at the state level. At least, the Foreign Ministry's view is centered around this point.

8349
CSO: 3554/40

UNITY APPEAL BROADCAST TO TURKISH KURDS

Istanbul TERCUMAN in Turkish 2 Apr 86 pp 1, 12

[Article by Metin Akkoc: "Mesut Barzani: 'Join Us, No One Can Establish a State with 2,000 People'"]

[Text] Diyarbakir (TERCUMAN) - When Abdullah Ocalan (Apo), leader of the outlawed separatist KLP [Kurdish Labor Party] which is actively engaged in efforts to claim a portion of Turkish territory in the eastern and southeastern Anatolian region and establish a break-away Marxist-Leninist state, requested shelter and assistance from Kurdish Democratic Party (KDP) leader Mesut Barzani as a result of the recent incidents, the top KDP officers issued a call to KLP supporters via clandestine radio.

The KDP top military spokesman, Faruk Bejnavi, made clandestine radio broadcasts immediately following the death of Mahsun Korkmaz, the KLP's "chief of staff," saying, "The attitudes of KLP followers are wrong, no one can establish a state anywhere in the world with these methods." He said in his invitation to KLP members:

"Hundreds of thousands of Peshmerge have been fighting to establish a Kurdish state in Iraq since 1942. Today, our Peshmerge numbers 200,000. We have 1,500 villages under our control. Even under these circumstances, we have been unable to date to establish a state. The KLP members who want to establish a Kurdish state in Turkey and whose total numbers are between 2,000 and 3,000 cannot, under these circumstances, establish a state anywhere in the world, much less Turkey. Come join us, take your place in our ranks and let us fight together against Iraq. Let us expand the 200 kilometers of land we how have in our hands and establish a Kurdish state together."

According to news leaked from Iraq, the outlawed KLP leaders will arrange a meeting to be chaired by KDP leader Mesut Barzani between 11-14 April.

Quadruple Front Contract Terminated

The KLP, the KDP, the Kurdistan National Liberationists and the Iranian Kurdish Democratic Party got together in Iraq in 1984 and established a joint front to act against Turkey. They signed an agreement. However, KLP militants assassinated four members of the "Muakits," an organization attached to the KDP, and Muakits retaliated by murdering five KLP militants, one of them the camp chaplin. After these incidents, the "action against Turkey" agreement that they had signed came apart in May of the same year.

When KLP leader Abdullah Ocalan again sought shelter with Mesut Barzani and asked for help and support after the recent events, Barzani was heard on clandestine radio to say that his own Peshmerge were fighting against Iraq in line with their own goals and that if he were going to support the KLP in its efforts against Turkey he would have taken Turkey as his opponent. "I cannot open two fronts, my goal is Iraq. I have no quarrel with Turkey. Take your place at our side and fight against Iraq," he said.

8349
CSO: 3554/40

SOCIALISTS COMPLETE DRAFT ON 'PEACEFUL DEFENSE' ORGANIZATION

Force Structure Proposals Detailed

Copenhagen BERLINGSKE TIDENDE in Danish 27 Apr 86 p 20

[Article by Nils Eric Boesgaard: "The Social Democrats' Peaceable Defense: Background"]

[Text] The Social Democratic Party is ready with an entirely new plan for reorganization of the armed forces. The plan calls for a nonoffensive defense system--a defense system which in its structure demonstrates peaceable nonoffensive aims. It is first and foremost the Social Democratic Party's defense policy spokesman, Knud Damgaard, who gave the name to the plan, but he has had as a military expert the ex-assistant-secretary in the Defense Ministry and the Armed Forces Command chief of staff, Colonel G.K. Kristensen. BERLINGSKE SØNDAG analyzes the Social Democratic plan, and we have obtained a commentary from Defense Minister Hans Engell (Conservative Party) and also asked a military expert, Major Svend Bergstein, to assess the nonoffensive defense system.

"The purpose of a Danish defense system is to be peace-preserving and to demonstrate our will to preserve the Danish democracy. A nonoffensive defense system is aimed at which by its structure demonstrates peaceable nonoffensive aims, but which at the same time possesses the ability to cause an attacker decisive losses in and from our own sovereign territory."

This is how the objectives clause reads in the proposal for reorganization of the Danish defense system which the Social Democratic Party is working on but which it has not yet published. It was formally prepared by the party's defense policy spokesman, Knud Damgaard, but is really the result of close cooperation with Colonel G.K. Kristensen, who at one time, while he was assistant secretary in the Defense Ministry, prepared a similar draft for then Social Democratic Defense Minister Kjeld Olesen.

The proposal is in many ways surprising. Apparently it works with unlimited funds for procurement of materiel:

"The armed forces' future investment in materiel must aim toward new coordinated arming of the forces."

Strengthening of the standing force is proposed, which is to number 7000 professional soldiers, so that "reasonable capabilities for action in the face of disquieting small episodes" are achieved.

On the other hand, it is desired that obligations toward NATO be limited:

"The home defense of Jutland and the islands will be strengthened, among other things, via a reduction of susceptible areas and especially of exposed coastal areas, via a reduction of forces for the defense of Schleswig-Holstein. Our effort must for this reason be reduced in Schleswig Holstein in coming years."

"And," it is postulated, "this would not entail Denmark's losing decisive influence in the command system."

The critics of the plan, among others, Defense Minister Hans Engell, consider this point extremely serious for the continued NATO alliance.

There has as yet been no NATO reaction, but in connection with the similar Social Democratic proposal which was published in "Beretningen fra Forsvarskommissionen af 1969" [Defense Commission Report of 1969] the chief of the NATO forces declared:

"Although the proposals are based on Denmark's NATO membership, they pay no regard to the obligation of mutual support. The proposals are based on the assumption that NATO will receive sufficient warning. But the Warsaw Pact to an increasingly greater extent has been able to take military action with little or no warning. The proposals are founded on false premises; the threat has been erroneously assessed; the plan will seriously reduce Denmark's ability to defend itself."

The proposal, for example, turns upside down all plans up to now with a remark that "the land forces will be built up as mobile forces which in cooperation with long-range artillery and the air force can support the Home Guard." It seems to appear from this wording that the Home Guard is to be a frontline force, which has never been the aim previously, and which it is neither trained nor equipped for.

It is foreseen that the navy's big units and submarines will be abandoned, while the main emphasis is placed on mines and coastal batteries with Harpoon missiles.

As far as the air force is concerned, emphasis is placed on a defensive air defense effort, including protection of the civilian population.

The proposal wants the reinforcement agreements renegotiated for worry that reinforcements will be perceived as a provocation, and believes that "the standing forces in effort readiness" will be able to be a "weighty part of crisis management readiness in peace time so that mobilization at the wrong moment can be avoided. The adversary must at all costs not feel provoked," it reads.

Present Armed Forces (Strength Target as of 1987)

Army: Peacetime force--20,340 men; tanks--256; armored vehicles--718; artillery--248.

Navy: Peacetime force--8155 men; larger combat units--9; submarines--4; smaller combat units--25.

Air force: Peacetime force--9125 men; fighter planes--three F-16 squadrons and two Draken [Dragon] squadrons.

Nonoffensive Defense (According to the Social Democratic Proposal (Knud Damgaard))

Army: Peacetime force--22,900; standing effort force of 7000 men.

Navy: Peacetime force--6100 men; navy materiel: Frigates and submarines to be abandoned. Three corvettes, 10 missile boats, 13 Standard-Flexes, 4 minelayers, 2 cable mine layers, at least 4 mobile Harpoon batteries.

Air force: Peacetime force--8100 men; 5 or 6 fighter squadrons with about 80 planes, including 52 F-16's and 32 Drakens.

Warsaw Pact (in the Baltic Area)

Army: 1.3 million men with 32,100 tanks.

Air forces: 4000 offensive fighter planes of which a considerable percentage can carry nuclear weapons.

Navy: 30 missile and conventional destroyers, 60 submarines, 100 landing vessels, a considerable number of escort vessels, about 70 motor torpedo and motor missile boats.

Defense Minister Asserts Risks

Copenhagen BERLINGSKE TIDENDE in Danish 27 Apr 86 p 20

[Article by Nils Eric Boesgaard: "Hans Engell: An Unnecessary and Risky Adventure: Commentary"]

[Text] "Denmark's defense must not be based on miracle solutions and flighty ideas," Defense Minister Hans Engell says in light of the Social Democratic draft for a new defense plan.

"It is a catastrophic error to believe that a miracle solution can replace lacking appropriations. Danish security policy cannot be based on airy ideas and flighty notions," Defense Minister Hans Engell says to BERLINGSKE TIDENDE in light of the intensified Social Democratic talk of a so-called nonoffensive defense.

"I am deeply disturbed about the proposals which have been advanced regarding withdrawing the Danish forces from Schleswig-Holstein and going over to what is characterized as a nonoffensive defense system," the minister says.

"One of the ideas is that the Jutland Division is to first be able to be brought into action in a battle from prepared positions north of the border and not, as hitherto, in the planned area in Schleswig-Holstein."

"It will be a totally new policy which will create very considerable problems for the Danish armed forces, and it will raise the question of the NATO unitary command's continued justification. The unitary command, which we have had since 1961, and which is based on a joint effort between the Danish and German forces, and which has always been under Danish command."

Incalculable Consequences

"The new line will have totally incalculable consequences," the defense minister says, and continues:

"Firstly, it must certainly be in Denmark's interest that the battle is waged as far as possible outside Danish territory. This will mean that we to a considerable degree will avoid civilian losses and devastation. In addition is the fact that the best suited areas for defense from a military geographic standpoint are in southern Schleswig-Holstein. The geography is far more well suited there and it would be totally irresponsible to let the Danish forces stand in a waiting position in an area which is more difficult to defend."

"The Danish and German forces in the unitary command have been proportioned to one another with a view toward countering the forces which an expected attacker will be able to bring into action."

"If they were to act individually, it would give the attacker an opportunity first to defeat the Germans and then make mincemeat out of the Danes. And this would mean, if the same effectiveness is to be maintained, that the forces would have to be increased considerably. It is in a joint effort that there is strength."

"The deployment of Danish forces in Schleswig-Holstein is based on a parliament decision from 1951. In this it read: 'The committee's majority is of the opinion that Danish troop forces stationed in North Germany will cover Denmark's southern border and take part in the defense of the country at least to as high a degree as if they were stationed in Denmark.'"

"And this has since then been the basis for our defense planning."

"If Denmark just wanted the Jutland Division deployed on Danish territory, it would be a rejection of the mutual solidarity and it would be a totally decisive break with NATO's strategy."

"We will not encounter any understanding from the other countries and then none at all in West Germany."

"In addition, then, there are the more far-reaching consequences. This concerns, for example, to what extent it would be possible to maintain the unitary command with a separation of the defense of Denmark and Schleswig-Holstein. To what extent the Germans will accept a Danish commander if there were not Danish forces present in the area."

"When the unitary command was established, then Social Democratic Defense Minister Poul Hansen said: 'From a military viewpoint and in consideration of the geographical conditions, the defense of Denmark and Schleswig-Holstein with the neighboring waters must be considered as one mission. It is for this reason natural and it will produce the best outcome for the mission to be united into one pair of hands.'"

"The other possible consequence is the effect on the reinforcement agreements. If it is imagined that Danish military units will under no circumstances be solidary with our allies--not even with our neighbor--then the question can be asked whether it would not be asking too much for them to display solidarity with us and come to our rescue."

"This in my opinion would be an expression of a hardboiled national egoism which is certainly not in accordance with the ideas of the whole NATO alliance. Therefore, in the final analysis it raises the question of Denmark's continued participation in the integrated military alliance. It would," Defense Minister Hans Engell concludes, "be a question of a totally unnecessary and risky adventure."

Army Major Opposes

Copenhagen BERLINGSKE TIDENDE in Danish 27 Apr 86 p 20

[Article by Major Svend Bergstein: "War is Unpredictable: Assessment"]

[Excerpts] Before broaching an actual discussion of the so-called "non-offensive defense," it is necessary to fully realize what form of war we are talking about. It is a question here of a conventional (and perhaps a chemical) war between NATO and the Warsaw Pact (WAPA).

There are two "pure methods": a war of attrition, and a war of maneuvers. A war of maneuvers in its "pure" form, where it is just a question of outmaneuvering the adversary to such an extent that he gives up without a fight, has not been seen since the time of about 1525-1625, when the so-called condottiere warfare took place in Europa.

The "pure" war of attrition is taking place at the moment between Iran and Iraq, in which tens of thousands of people are being sacrificed in a senseless orgy of violence.

All highly developed countries have up to now desired--and demanded--to be able to conduct a war of maneuvers under one form or another, offensive or defensive. This type of warfare in its basic idea does not aim at massacreing people. It aims at getting the adversary into a situation in which he in the most rational manner can be made defenseless through the use of violence or the threat of the same.

WAPA has for the present organized its armed force so that they can conduct both an offensive and defensive war of maneuvers, but with emphasis on the offensive element.

NATO's forces can wage only a defensive war of maneuvers. That is, that they--it is hoped--are in a position to intercept and repel a WAPA offensive without the use of nuclear weapons. However, this in no way means that conducting military actions in the adversary's territory, for example, with air attacks on military installations, will be refrained from. But it means that on NATO's part it is not possible to conquer and hold onto East European territory.

8831
CSO: 3613/128

PEACE RESEARCHER BACKS SDP DRAFT URGING 'NONOFFENSIVE' DEFENSE

Copenhagen INFORMATION in Danish 23 Apr 86 pp 1, 12

[Article by Jorgen Dragsdahl: "Peace Researcher: Fine Defense Proposal from the Social Democrats"]

[Text] The Social Democrats' internal proposal for a "defensive" defense is "outstanding" according to Anders Boserup, an internationally known expert in the field.

"The proposal is based on some superior ideas, and is not merely a way of patching up the existing situation," says Boserup.

Boserup is heading up a project at the Center for Peace and Conflict Research which is analyzing the opportunities for greater European security which would be afforded by a nonoffensive defense. Neither Boserup nor any of the others at the Center have been involved with the group of Social Democrats who, under the leadership of Knud Damsgaard, worked out the proposal. The proposal has not yet been officially released, but INFORMATION is in possession of it and has described it in a number of articles. INFORMATION has provided Boserup with a copy.

Naval Defense

Boserup finds the ideas presented with regard to naval defense to be especially "well thought-out". The proposal is "clearly defensive", and the ways in which it will increase crisis stability have been stressed in particular.

One element of the proposal is that missiles which are intended for use against ships be deployed in a mobile fashion on shore. Critics have said that people will protest against this, referring to the protests evoked by the deployment of Hawk antiaircraft missiles in Odense. Boserup counters that that protest was an expression of "an antimilitary mood which is directed against whatever object presents itself."

"The missiles will not be deployed in peoples' backyards," says Boserup. "They can be stationed in military areas and moved out into the surrounding country in crisis situations."

High Readiness

"If Denmark's defense is to serve as a deterrent to war, a high degree of readiness must be exhibited, so that we cannot be caught by surprise, and it should also have good endurance. Invulnerability is a particularly important factor. The proposal tries to meet these criteria," Boserup feels.

However, he is less enthusiastic about the importance given in the proposal to reinforcements from without. "This is an inexpedient and crisis-escalating concept, since such reinforcements will be brought in at the worst time."

Nevertheless, he concedes that "reinforcements are an unavoidable part of a transition period" and says "it would be good if we could less dependent over the long run."

He says that the planned expansion of air bases, which are to be used by foreign aircraft, is questionable, since these bases are vulnerable and attract attack.

Significant Reforms

The proposals contains "significant reforms," says Boserup. "These reforms are evident in the area of technology, where foresight has been exercised, and in the structure of our defenses, where smaller units and greater dispersion have been stressed."

Furthermore, he deems the analysis of Denmark's strategic situation to be a much needed revision of old ideas. The proposal dispenses with the oft-mentioned importance of the Straits and undertakes a "realistic threat evaluation".

One of the best things about the proposal is that it is a "sketch of ideas" which can be explained to NATO. "The allies should see that a solid effort is underway. Our responsibility for defense is taken seriously, something which is not done under the present structure."

"The Soviet Union will definitely not view this as unilateral Danish disarmament," Boserup adds.

He expects that the proposal will generate strong interest in those circles which are involved in the development of nonoffensive defense internationally.

He has just returned from a meeting of the Pugwash Association, which consists of researchers and military people from East and West who are interested in arms control. After the meeting, participants in the Security Conference in Stockholm were given a document describing nonoffensive defense. According to Boserup, this information received a positive reception from both East and West. "It is my impression that something is really going to happen in this field now," he says.

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SDP DEFENSE SPOKESMAN DAMGAARD COMMENTS ON SECURITY STUDY

Copenhagen BERLINGSKE TIDENDE in Danish 9 May 86 p 10

[Article by Carl Otto Brix: "SDP Defense Plan to Old Compromise Partners, Not Socialist People's Party"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The Social Democratic Folketing group will discuss the proposal from the party's defense policy committee on Wednesday.

The Social Democratic Party's defense policy committee is now putting the final touches on a proposal for a future defense structure.

The proposal has already been much discussed in the press, but SDP defense policy spokesman Knud Damgaard said that the discussion came too early.

The proposal is not yet in its final form.

"I have not been able to enter the debate and deny some of the things that have been said because we had not yet reached the end of the road," said Knud Damgaard.

He said he would accept the label "defensive defense" that has been attached to the Social Democratic plan, but he pointed out that this could cover many different forms of defense.

The defense proposal has not been designed as a defense policy foundation for a government consisting of the Social Democrats and the Socialist People's Party. "It is a plan," said Knud Damgaard, "for a continued broad compromise among the parties supporting the defense agreement that is now in effect." Those are the four government parties and the Social Democrats with the backing of the Progressive Party.

Defensive Defense--Including Armaments

Knud Damgaard said that NATO is actually a defensive organization. It was set up to defend the member countries, not to attack anyone. But this assessment must be designated as political. If one takes the idea further there must also be a defensive defense in terms of weapons technology.

But that kind of situation is not created all at once or in a short period of time, among other things because the current weapons will continue to be part of the arsenal. The Social Democratic plan operates with a 12-year transition period.

On Wednesday the Social Democratic Folketing group will take a stand on the defense committee's proposal.

6578
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MINISTER ANNOUNCES MOVES TO RETAIN OFFICERS, ATTRACT 'BEST'

Copenhagen BERLINGSKE TIDENDE in Danish 30 Mar 86 p 6

[Article by Nils Eric Boesgaard: "Armed Forces Competing with Private Job Market"]

[Text] Defense Minister Hans Engell announces jobs filled by posting, fewer ordered transfers and rapid advancement for officers.

"Positions as officers or technicians in the armed forces will in the future be filled to a greater extent by posting. That is, the individual will have greater coinfluence on where in the country he or she will get to do service." Defense Minister Hans Engell says this in connection with a series of new efforts to modernize the working conditions of the officer corps and other permanent personnel.

The defense minister hopes that the new system will alleviate the problem concerning transfers, a problem which has become aggravated in pace with officers' wives' growing desire for their own careers.

"Of course, the armed forces will never be able to totally avoid a system of orders. There will always be situations in which positions are filled by orders. But the 10 or 20 transfers which formerly were an inevitable part of an officer's career will no longer be necessary," the minister adds.

"In coming years the armed forces will have to submit to stiff competition from the private job market as far as the recruitment of young people with leadership ambitions is concerned."

"The age group will gradually become smaller, and the competition between the armed forces and firms to attract energetic young people will increase accordingly."

"If we are to attract the best of the young it is necessary that we draw attention to the fact that there is a future in the Danish armed forces."

"This effort is to be seen in light of the fact that today we have a certain shortage of officers and that over the last two years we have had considerable resignations of younger officers."

"According to a study made by the Armed Forces Center for Leadership, the most important reason for the officer drain is salaries, but they are subject to the possibilities which, for that matter, hold true for the public sector," the minister says.

"The poor opportunities for advancement are another weighty reason. However, this should be remedied in the new officers' training, which presupposes a greater connection between function and rank. That is, in coming years we will see far more young commanding officers."

"Finally, an important role is played for many by how they see the political support for the armed forces," Defense Minister Hans Engell concludes. "If they feel that there is uncertainty regarding the Danish armed forces, if they feel that there is declining political support for the armed forces, then it is obvious that this will affect morale, and the individual officer might consider whether it is in the armed forces that he will spend the next 20 to 30 years of his life."

8831
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PROCUREMENT FUNDS AGREED ON AFTER COMPROMISE ON COPRODUCTION

Government Accepts SDP Demands

Copenhagen AKTUELT in Danish 18 Apr 86 p 4

[Text] Copenhagen: The battle between the parties in power and the Social Democrats regarding a total defense appropriation of 2.2 billion kroner has been resolved. The appropriation is expected to be approved at a special session of the Finance Committee today, thereby resolving an issue which could have led to a serious political confrontation between the parties involved.

Satisfied with Compromise

The compromise on this issue, which had been negotiated by the Folketing's Financial Committee for close to a month and half, was reached at a meeting yesterday between representatives of the Social Democrats, Finance Committee Chairman Ivar Hansen (Liberal) and Defense Minister Hans Engell (Conservative). It appears that all of those involved came away satisfied with the compromise which was achieved.

The disagreements concerned guarantees of coproduction/compensation purchases involving Danish companies in the billions of kroner defense orders. The Social Democrats felt that previous regulations were far too vague and of insufficient scope to assure that Danish companies would be awarded contracts and that Danish jobs would be preserved.

Conditions Stiffened

"We have stiffened up the conditions of the appropriations. Our main objective throughout has been getting guarantees of increased Danish coproduction/compensation involvement in defense purchases. We have now succeeded in getting the necessary guarantees," says Finance Committee member Hans Peter Baadsgaard (Social Democrat).

"In addition, we have now been assured that Danish companies will be directly involved in the Ministry of Industry's negotiations concerning Danish coproduction. We have also been promised that the Finance Committee will be kept informed concerning the results of further negotiations between the defense suppliers and the Danish companies, and we will be watching that situation very closely," says Hans Peter Baadsgaard (Social Democrat).

"There is a terrific squeeze on Danish exports. Danish companies are losing out on shares of various markets, including high-tech markets. That is why Danish companies have use for all of the know-how they can get which might enable them to share in some of the billions spent for defense," he says. "We are satisfied with the results we have achieved, and will vote for the full appropriation today. Finance Committee Chairman Ivar Hansen is totally wrong in trying to present the situation as though we were trying to create a rift in the defense spending compromise. We stand by that agreement, and we would also like to point out that this issue is not defense-related, but is rather a purely industrial/political problem," says Baadsgaard.

Defense Minister Hans Engell is also satisfied with the compromise. He finds it only natural that the Finance Committee should be concerned with the issue of Danish coproduction, when such a comprehensive appropriation is under discussion. "It is in everyone's interest to secure the maximum possible Danish coproduction/compensation," says the minister.

SDP Press Organ Comments

Copenhagen **AKTUELT** in Danish 18 Apr 86 p 10

[Text] It is hard to believe that the government allowed so many weeks to go by and almost allowed a rift to occur in the defense compromise before bowing to a demand for guarantees of Danish coproduction involvement in the new defense appropriation, which concerns billions of kroner. The conflict has not been resolved to everyone's satisfaction, and Defense Minister Hans Engell (Conservative) declares that it is only natural that the Folketing's Finance Committee be kept fully informed, and that is can only be in the best interests of Denmark for efforts to be made to ensure that the work is performed by Danish companies!

The entire conflict could have been avoided if the defense minister had not demanded his "right" to control developments alone without the "untimely" involvement of the legislators whose votes were necessary to push the appropriation through. Perhaps leaders of the parties in power also wished to use this issue to trump up some new, artificial conflict, which does not really exist, in the area of defense policy.

At no time has anyone expressed any doubts regarding the defense compromise agreement. The entire conflict has revolved around our efforts to secure guarantees to ensure that the huge defense materiel purchases will also do the Danish economy some good.

Despite strict trade agreements and the government's cutbacks, Denmark has lost some of its share in the export market over the last few years. Danish industry has an enormous need to be in a strong position in terms of high-tech development, and it is therefore only natural that multi-billion kroner purchases of high-tech materiel for defense be made in such a way that Danish companies benefit.

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FIRST 'GENERALIST' OFFICERS GRADUATE FROM OTS COURSE

Copenhagen BERLINGSKE TIDENDE in Danish 1 May 86 p 17

[Article by Nils Eric Boesgaard: First Unit Officers Are Now Ready for Service"]

[Text] Defense Minister Hans Engell was the first to wish good luck to the 65 new first lieutenants and 11 older officers, newly promoted to captain, who graduated from the Army Officer Training School at Frederiksberg Castle yesterday.

The school has been training officers for the Army since 1869, but yesterday's graduating group was the first to have completed the all-new, 30-month officers training course, and from now on there will be only one line of commissioned officers, the so-called "unit officers".

The idea behind the new training process is that in future officer positions will, to as great an extent as possible, be filled by applicants who have qualified themselves by means of supplementary courses.

Defense Minister Hans Engell apologized in his speech to the young officers for the fact that the Army's structure has not yet been firmly established. "However," he said, "you are much needed, and there is no better officer training in existence than that which you have received."

The group of new first lieutenants includes the first Icelander in recent memory. He is Magnus Bjarnason, who paid for part of his education himself and who will now serve in the ranks for two years in The Royal Bodyguard. The reason for Bjarnason's presence in Denmark is that he wishes to enter the Icelandic foreign service, which is interested in civil servants with military backgrounds, particularly in terms of its dealings with NATO.

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MILITARY DENMARK

AIR FORCE PILOT ON TRAINING, JOB ROUTINE, FLYER DRAIN

Copenhagen AKTUELT in Danish 28 Apr 86 pp 14-15

[Article by Povl E. Norager: "Jet Pilot Aware of Risks"]

[Text] "Of course my colleagues and I don't call home every day and say, 'Hi, honey, I got down all right after today's flight.' And we don't call up if we're going to be 5 minutes late coming home from work either. If we did that, neither we nor our wives would be suitable for air force work."

These remarks were made by 27-year-old First Lieutenant Leif Jensen, also known as "Nim," a pilot in squadron 723 at Alborg Air Base. The air base has two squadrons, 723 and 726. Pilots in the latter group have also been nicknamed the "phantom boys." A name that stems from the squadron's colors and call sign.

"Nim" is not someone who dreamed all his life of being a jet pilot. The idea first struck him when he was in senior high school and realized he did not want to go on studying.

"I signed up for the entrance exam and was one of the lucky ones who passed," he said, with exaggerated modesty.

Big Attrition Rate

One out of every thousand who dream of a life as a jet pilot realizes that dream and a good many of them--almost half--drop out after going through the 5 years of training and, like "Nim" today, becoming fully trained combat pilots in the Danish Air Force.

Five of his original 11 classmates dropped out after their tour in the United States, where final combat training is given. Either they or the air force decided they did not measure up after all.

"To be quite honest, I don't know if a pilot's training costs 5 or 10 million kroner, figures that have been brought out in the public debate. One can also discuss whether an airplane costs 80 or 100 million kroner, depending on equipment, etc., but it is correct that one has to go through a damned long, expensive and demanding training period."

"Nim" had his first flight training--in a propeller plane--at the Avno flight school in southern Sjaelland and after that he went through a 14-month jet pilot training course in the United States.

Aware of Risks

"We fly one of the most advanced airplanes in the world. We have gone through the best possible training and of course things go quickly when something happens in an F-16, but we still don't sit there and wonder whether we are going to crash or if we will survive the day's flight. If we did think that way it would be time to look for another job.

"We are aware of the risks involved in our job, but we are not afraid of them. We are not supermen, we don't think we are invincible, becaue if we did think that we would be just as dangerous as frightened pilots.

"We have confidence in ourselves and in the materiel we work with. We get an excellent training in handling dangerous situations and therefore it may be in order to dispel a few myths. One is that if a jet engine stalls, the plane immediately falls to the ground like a stone. That is not true. If the plane is at a reasonable altitude and proceeding at a reasonable rate of speed, one can certainly gain altitude and thus have more leeway to get the airplane under control again. One can also make a glider landing in an F-16, even if it involves a rather steep dive and a somewhat hard landing, but it is certainly not impossible.

Other Myths

"Then there is the myth that a pilot who wrecks a plane is through in the air force. That isn't true either. Many times--perhaps most times--a plane crash is due to human error. We all make mistakes every day and pilots are not superhuman, as I said.

"Although an airplane is an expensive piece of equipment to lose, I would like to point out that the air force puts a much higher priority on pilots than on airplanes.

"Pilots have the best training and--in a crisis--they are supposed to save their aircraft, but pilots come first, so a plane crash does not have to mean saying goodbye to the air force, although it is not the smartest thing in the world to wreck an airplane because of gross negligence or carelessness.

"Some people also say that pilots go up even if they have a bad day. That is not true. A pilot can always say--without its having a negative effect on his career--that he has a headache or the flue or for some other reason he does not feel fit to fly and then he is excused from the day's active flight duty. No pilot is ever forced to take off against his will. Self-discipline is also high enough that even though pilots are not teetotalers, they do not report for duty with hangovers. A pilot might very well get drunk, but no one will get upset if you admit it and don't want to fly because of it."

As a pilot in the air force, "Nim" earns around 190,000 kroner a year. He must fly at least 180 hours a year or roughly an hour every working day.

Unless he takes a parallel officers' training course because he wants to advance up the armed forces ladder, his career will be over when he is 35.

His multiyear contract has expired and he now works on a normal 3-month contract.

In the last year a lot of newspaper space has been devoted to the so-called pilot drain to SAS and other airlines.

"A onesided and somewhat distorted attitude has been emphasized. Air force pilots know that when they become 35, their employment comes to an end unless they have taken a parallel officers' training course. Pilots may have a few years left before their affiliation with the air force comes to an end; they can make two or three times as much money working for civilian airlines, so it is natural that they seize the opportunity before it is too late.

"We think Danish jet pilots are among the best-trained pilots in the world. We also know that if the 'balloon goes up' we will be the first people to be involved in combat. We are aware of the risks. They are part of our job. We fly combined fighter and bomber planes, in other words machines that are primarily defensive and not offensive in nature. We are trained to go into action if a war breaks out, but aside from that we do not think about the dangers of flying during our daily training flights.

"And our wives don't go around wondering if we are going to crash today. It would be impossible to live like that, but it is clear that when it comes close to you--when a good friend gets killed--you feel it more strongly, for several reasons.

Three Killed

"Here at Alborg Air Base three pilots have lost their lives while I have been here and one was a close friend and neighbor.

"There is probably a very unusual solidarity among us pilots. This solidarity also includes our wives and it manifests itself in our free time. I think it is because we have to trust each other 100 percent--especially when we fly in formation. We don't have time to look at the man beside us, we have to check our own instruments and trust that our comrades in the group are doing the same thing.

"On the other hand I feel there are not many other places where people are as satisfied with their jobs as pilots are. We have chosen to fly because we like it and part of the reason is probably that we feel that in this way we are doing our bit to defend something we think is worth defending, but that does not make us supermen or infallible human beings."

In civilian clothes "Nim" is every mother-in-law's dream. Slender, friendly, smiling and polite. Dressed in a suit and carrying a briefcase he could pass for a lawyer or an insurance salesman. There is no visible indication that he is one of an elite group in the Danish military. Trained to man one of the most fiendishly devised and deadly pieces of equipment that can swoop down at twice the speed of sound and change our everyday lives.

On the way out to the car I met a pilot who had just landed.

"Oh, you must be the reporter," he said. I offered him a cigarette and he refused in horror, saying: "Are you crazy, man? Those things can kill you."

They don't lack a sense of humor in squadrons 723 and 726 and obviously there are differences of opinion about what constitutes living dangerously.

6578
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MILITARY FEDERAL REPUBLIC OF GERMANY

ORGANIZATION, COMMAND OF WARTIME HOST NATION SUPPORT REFINED

Bonn TRUPPENPRAXIS in German Jan/Feb 86 pp 18-23

[Article by Col Friedrich Steinseifer: "A New Bundeswehr Mission: Wartime Host Nation Support"]

> [Text] A military organization such as has never existed before is about to establish itself on the soil of the FRG in order to make possible the forward defense necessary for our survival in the areas close to our borders. The governments of the United States and the FRG have have concluded an agreement which provides for receiving American units as guests on German soil in case of a military crisis and taking care of them without having to make the needed preparations while the guests are arriving, i.e. the American units can be committed to action more speedily. Operations staff V of the command staff of the armed forces is fully responsible for the project. Staff section V is the army contact point for Wartime Host Nation Support and as such responsible for planning and development. Col Friedrich Steinseifer and his staff have prepared the following article:

As of 1 January 1986, the former "Support Command Wartime Host Nation Support" of the army was renamed Support Command 3 and was newly assigned to Military District Command III and in December 1985, Support Command 5 was set up under Military District Command V. These events are reason enough to explain the content and scope of the WHNS mission. The role of the air force and navy and the Bundeswehr administration will be dealt with in this article in addition to that of the army which has primary responsibility for the project.

Prior History

In the early seventies, the United States exerted increased pressure on its European NATO allies to step up burden sharing, i.e. to distribute the defense burden more equitably. At the same time, the United States started to reorganize its forces stationed in the FRG with the aim of enhancing their combat effectiveness. But to achieve this end, logistic personnel slots were cut by some 18,000. Now this shortfall had to be filled.

As a result, General Haig, the then SACEUR, asked that a SHAPE study be done to look into how this might be achieved with the support of the European nations generally and the FRG in particular. The findings of this study were reviewed by the FRG defense ministry in 1979 and in part rejected as being unrealizable, since they violated the premises established by Defense Minister Georg Leber which stipulated that this should not result in

- a loss of combat effectiveness by the Bundeswehr;
- an increase in the number of operational German forces
- or any increase in the FRG defense budget.

It was not until the United States gave an assurance to the German defense minister in October 1979 that reinforcement units numbering six army divisions as well as the proportionate air power would be moved to the FRG in a crisis or war situation within 10 days instead of 30 days, that the FRG government agreed to provide the civilian and military support required by U.S. forces on German soil.

Transfer of these reinforcement units within the very brief period of only 10 days represents an early and decisive addition to conventional combat effectiveness in Central Europe, thus substantially contributing to the deterrent value of the NATO forces and to the flexible response capability of NATO strategy as such.

The program thus is in conformance with NATO's long-term defense program.

During the course of 1980, the United States presented its demands for support in greater detail and this, in turn, led to the development of the so-called German WHNS model.

In 1981, the WHNS model was submitted to the FRG security council together with a statement by the German defense minister to the effect that he would need additional forces and funds in order to fulfill the military support requirements of the program.

To perform the required feasibility study for the army component, a WHNS planning staff was set up which commenced operations in Cologne on 1 January 1982 and was renamed WHNS support command as of 1 October 1983. Although two security companies and nine security platoons were set up as equipment units in 1983 by the army the planning phase was not concluded until late in 1985.

The air force established a planning task force at the air force support command in Cologne-Wahn to conduct a feasibility study on the responsibilities to be met by it and the navy.

Government Agreement

At the conclusion of their bilateral political talks, the two governments concluded the "agreement on support by the host nation in a crisis or war" on 15 April 1982.

This also marked the birth of the "Wartime Host Nation Support" (WHNS) concept which does not, however, apply exclusively to support given to the U.S. forces.

WHNS represents that portion of the Host Nation Support (HNS) which is rendered in time of crisis or war.

It designates the civilian and military support rendered by a host nation in peacetime and wartime to allied armed forces and NATO organizations which are located on the host nation's territory. Such support functions are part of NATO treaty obligations or of bilateral and/or multilateral agreements concluded between the host nation, the NATO organization and the originating nation.

WHNS may include both civilian and military support. But military support has thus far only been provided to U.S. forces either stationed or scheduled to be stationed on FRG soil by German units specifically established for that purpose.

Types of Support

The 15 April 1982 agreement spells out the obligations and support functions of the two nations in detail.

The Federal requisitioning law and the control and provision laws provide the German legal basis for the civilian support to be made available to the Bundeswehr as well as to allied visiting forces in case of a crisis or in wartime. The armed forces may avail themselves of the support provided for in these laws in accordance with certain constitutional provisions. These stipulate that the armed forces may not avail themselves of civilian resources in a crisis or in wartime unless the FRG legislature has given its prior approval.

Some of these civilian support services include road and rail transport; the provisioning of air, sea and inland shipping space; the provisioning of civilian labor; care and maintenance; loading and unloading as well as delivery of consumer goods such as food, water, fuel, building materials and energy. It also includes making civilian structures available in wartime as well as civilian telephone and teletype facilities; the exemption of civilian employees of the U.S. forces from military service and the mobilization reserve of motor vehicles, construction equipment and depot materials.

Requests for and provisioning of supplies are handled in accordance with long-standing HNS procedures.

It is the territorial army's responsibility to review the visiting forces' requests for support for tactical/operational needs, to establish priorities and trasmit these to the Bundeswehr administration which then issues the appropriate orders to the civilian authorities.

In most instances, the civilian support given is not merely a stopgap measure but an integral part of the national and allied defense measures.

Military support includes the following three areas:

1. Support by the army providing security for U.S. air force installations, U.S. army installations and rocket artillery formations; decontamination of personnel and materiel as well as artificially generated smoke; transportation, loading, unloading and storage of supplies including transportation of major end items and the removal of wounded personnel.

Also included is the construction of pontoon bridges, the maintenance of communications links, the repair of weapons and equipment and repair of damage to the infrastructure.

Within this context, some members of the German civilian support units (formerly called Labor Service) who are liable to and fit for military service are integrated into German units and formations in crisis situations and in wartime. The mission of these units is to provide support to the U.S. forces on FRG territory.

2. Support by the air force and the navy, assisted by reinforced U.S. air power, on the collocated operating bases used by both nations. Support by air force engineer squadrons at some U.S. air bases for damage assessment; for reconstruction of flight operations areas; for reconstruction of facilities and installations and assistance in self-protection measures.

Additional support is given in explosive ordnance reconnaissance and disposal and the speedy repair of runways.

3. The Bundeswehr administration provides support in the accounting of reciprocal services; in providing personnel and material for the mobilization reserve and in making the Bundeswehr's data processing centers available.

Scope of Military Forces

To fulfill these military support responsibilities, the Bundeswehr has established additional staffs, formations, units and elements or has increased personnel of existing commands, staffs, branches of service and agencies.

In the case of a crisis or war, the Bundeswehr support forces would total some 93,000 members of the military and 3,500 civilian employees.

Some 83,000 of these (including an extra 10 percent for safety) would be assigned to the army as would the civilian employees who would be assigned to rear medical facilities.

The air force support contingent would total about 8,300 men and the navy contingent about 480.

To perform their peacetime functions, we need an operational contingent of 1,030 servicemen and about 810 civilians.

The army share of these is about 780 men and about 620 civilians. The corresponding figures for the air force are 245 servicemen and 90 civilians and the navy's combined total of sailors and civilians comes to 10.

The Bundeswehr administration expects to assign about 100 men to the peacetime support program. In addition, about 500 WHNS training slots will be established in the army--and another 150 each in the air force and navy.

Costs

According to article 3 of the HNS agreement of 15 April 1982, the two governments agreed to share costs for investment and operations.

The FRG assumes the cost of the military personnel; for clothing and equipment of the roughly 93,000 servicemen and the material investment costs for the establishment of the required German command, supply and training organization. The United States assumes the cost for civilian personnel, for the operation of the program and for all additional materiel that cannot be provided by the mobilization reserve.

The infrastructure is to be paid for out of NATO funds. If this is not possible in its entirety, the cost-sharing principle will apply in this instance as well. Investment costs are expected to total some DM 1.7 billion and annual operating costs are expected to amount to some DM 140 million (at 1984 prices).

Material Allowance

In the interest of proper cost accounting, the materiel needed by the German support contingents are subdivided into four categories.

Category I Material includes the personal clothing and equipment of the German soldiers, their small arms and ammunition, the ABC protective gear, their medical supplies and all other materials needed by the command, supply and training organization.

All of this material is of German origin and is to be paid for by the FRG.

Category II Material is material that is provided by the FRG in case of a crisis or war through the mobilization reserve. In the first instance, this includes transport vehicles for various purposes as well as construction and depot equipment.

Category III Material includes the material that is already to be provided in peacetime according to German regulations in addition to the category I material, i.e. either material owned by the Bundeswehr or U.S.-specific equipment which is otherwise not being used in the FRG.

These materials are paid for by the United States.

Category IV Material includes supplies of mass consumption goods which must already be held in readiness during peacetime according to German stockpiling regulations. These goods are also paid for by the United States.

General Support Principles

The elements to be activated by the Bundeswehr in addition to state of defense levels are primarily equipment units. In case of a crisis or war, all the support units are called up and mobilized following German-American consultations in accordance with national legal provisions and the NATO alert system.

The German air force and navy support forces are integrated into existing units of those two branches of service. The German army support forces are part of the territorial army.

They are commanded and committed to action according to German regulations and are exclusively responsible to German commanding officers.

Their mission is restricted to the support function on behalf of the U.S. forces operating on FRG territory. The main burden of providing support is borne by the army. The following presentation of the organizational structure, use and training of support units will be restricted to that branch of service.

Organizational Structure

The army operations staff has set up standards for the WHNS organizational structure which do not call for replenishment of U.S. cadre units. Support functions are performed solely by self-contained German elements or units under German command.

No new branch of the army will be established; the WHNS elements are to be fully integrated in the territorial army. The operating procedures of the WHNS elements will be the same as those of already existing, comparable army elements. The goal is to come up with as economic as possible a solution for the command, supply and training structure, taking full advantage of the existing organizational structure of the territorial army.

The requests for support, the operational principles and the organizational structure of the U.S. forces had a direct bearing on the development of organizational structure outlined below.

Depending on their mission, the organizational structure distinguishes between units with a direct support function; the command and command liaison organization; the supply organization, the medical service; the personnel replacement system and the training organization (see Figure 1).

Units which have a direct support mission to fulfill include the following:

1. Security Units

    17 security battalions
    7 security companies
    30 security platoons
    9 escort batteries

2. ABC Defense Units

    5 ABC defense battalions
    2 ABC defense battalions (fog)

3. Medical Units

    5 ambulance battalions

4. Supply Troops

    14 supply battalions (ammunition)
    5 supply battalions (fuel)
    18 transportation battalions
    3 supply regiment staffs
    3 transportation regiment staffs

5. Maintenance Units

2 maintenance battalions

6. Signal Corps Units

1 signal battalion

7. Engineers

1 engineer battalion
2 collapsible floating bridge companies

The military command structure is composed of six support commands and 12 liaison commands.

To provide for supply, medical service and personnel replacment of the army WHNS units, eight supply companies, 14 reserve hospital units and seven field replacement battalions have been planned.

Active elements and agencies have been newly created to take care of the wide-ranging peacetime tasks, e.g. the training of alert reservists, the implementation of operational plans and joint exercises with the American units requiring support (see Figure 1).

5 support commands
8 maintenance steering groups
1 combat unit training center A
2 combat units training centers C
1 ABC defense training center
1 medical service training center
3 supply training centers
and the capacity of 6 material distribution points.

As far as the organizational allocation of individual elements, staffs and agencies is concerned, a distinction is made between units assigned to primarily stationary and primarily mobile missions (see Figure 2).

Support units performing stationary functions for the most part (e.g. security and ABC defense units) are directly responsible to existing staffs and command authorities of the territorial army. To be able to fulfill their command functions in peacetime, in crisis situations and in wartime their personnel is reinforced accordingly.

Support unitsperforming mobile functions for the most part (e.g. supply troops) are under the command of the support commands.

The assignment of the WHNS commands to the national territorial command authorities and the support relationships are shown in Figure 3.

It is important to know that each of the three U.S. corps stationed in the FRG is being supported by one WHNS command each operating in the rear area of that corps. The norhtern territorial command will haveone support command directly responsible to it which will function as an equipment unit. The southern territorial command will have two operational support staffs under it already in peacetime because of the need for corps-overlapping support and because of the massed U.S. units stationed there.

In addition to military district commands III, IV and V which have varying numbers of formations, units and elements directly under them above and beyond the support commands, an ABC defense battalion will be assigned to district II and several security platoons to perform WHNS functions will be assigned to district VI.

For the organizational structure of the WHNS elements of the air force and navy the same general principles apply as for the army. Depending on their mission, the distinction here is between elements which provide support to allied formations and units at COB's and those units which provide airport maintenance.

The former support function calls for increasing the personnel of active units and for adding 13 medical squadrons to serve a like number of air force and navy air bases. To provide maintenance at the air bases on FRG territory used or jointly used by the U.S. Air Force the activation of 13 air force engineer squadrons, 12 air force engineer platoons and one navu engineer platoon is called for.

Command and supply of the engineer units will require the establishment of one air force engineer regimental staff and one additional field replacement squadron. Neither the air force, nor the navy need any additional active elements and agencies to meet their responsibilities in peacetime--such as command, training and supply. The peacetime personnel needed for WHNS will be integrated into the existing organizational structure of these branches of service.

Operational Aspects

The German WHNS formations, units and elements perform the functions requested by the responsible U.S. authorities under German command. They are called upon to "cooperate" with the command authorities, staffs, elements and agencies of the U.S. forces which require their support.

In connection with the WHNS support system, the cooperation proviso refers to coordination between the defense ministries in Bonn and Washington.

"The commanders of the German support units who have been asked to cooperate with the U.S. forces are under obligation to fulfill all missions with the elements under their command which have been requested by responsible U.S. command authorities or commanders insofar as they conform with the agreed-upon requirements, with German command and operations principles and the German Table of Organization and Equipment for that particular branch of service. This obligation particularly includes compliance with the priorities set by the U.S. forces."

Training

Generally speaking, training for the WHNS elements is conducted along the same lines as that of comparable Bundeswehr servicemen and alert reservists. This also applies to the type, scope, duration and rhythm of mobilization exercises.

In the main, training is in the form of mobilization exercises which are carried out at training centers or existing units.

If possible, training exercises should be held jointly with the U.S. units to be supported.

Command and operational personnel are familiarized in the course of a so-called "integrated training program" with the command, operations and procedural principles of the U.S. forces.

To provide for the integration of those members of the German Civilian Support Units who are liable and fit for military service into the territorial army and into their mission in crisis situations and wartime, the personnel and materiel selected are to be reassigned to take part in the appropriate training programs. This calls for timely prior coordination with the responsible U.S. authorities.

"A Good Deal"

In accordance with article 1 of the German-American HNS agreement, the United States intends to move six divisions and the respective air force contingents to Central Europe within 10 days instead of 30 as had been the case previously. Article 2 of the agreement contains a declaration of intent by the FRG to establish a military support organization of some 93,000 men in time of crisis and war to assist the reinforced U.S. forces on its territory, i.e. the reinforcement units and the troops already stationed here.

There is nothing in the history of coalition warfare to compare with this agreement.

Within NATO, it is unique thus far and is therefore fraught with political overtones. Alliance credibility with regard to its capacity for forward defense is substantially enhanced thereby. At the same time, the U.S. plans to move in reinforcements which represent a major financial sacrifice for the prepositioning of equipment for six divisions in Western Europe are an impressive affirmation of the defense commitment and of loyalty to the alliance.

The FRG is unable to activate the additional forces required all by itself. The U.S. offer which was combined with the WHNS request makes it possible to achieve the goal of strengthening conventional forces at far less expense.

Of course WHNS costs money. A cost comparison with the investment cost just for the equipment of a modern mechanized division (amounting to some DM 2.5 to 3 billion) makes it clear that the activation of additional ground forces in Europe would call for far greater expenditures than are required in this instance. The support agreement can therefore be viewed by both partners as a good deal in every erspect. The FRG--represented by its defense ministry--is making every effort to complete the establishment of the WHNS organization as rapidly as possible.

But this must not come about at the expense of the combat effectiveness of the Bundeswehr, if forward defense is to succeed from the very outset. It is precisely because of its political importance that WHNS is a matter of concern for the state as a whole and not just for the Bundeswehr.

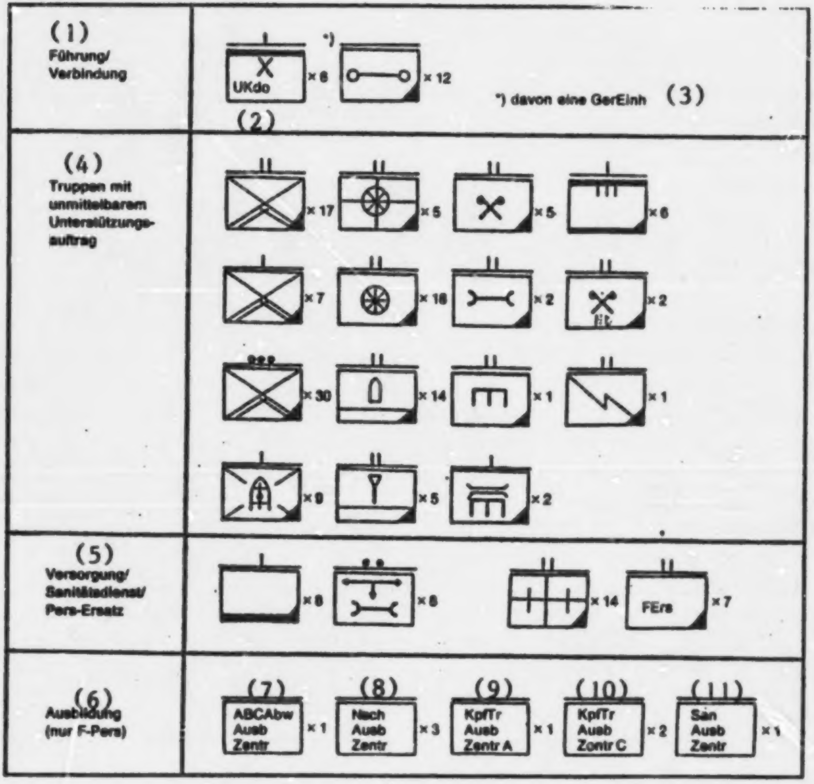
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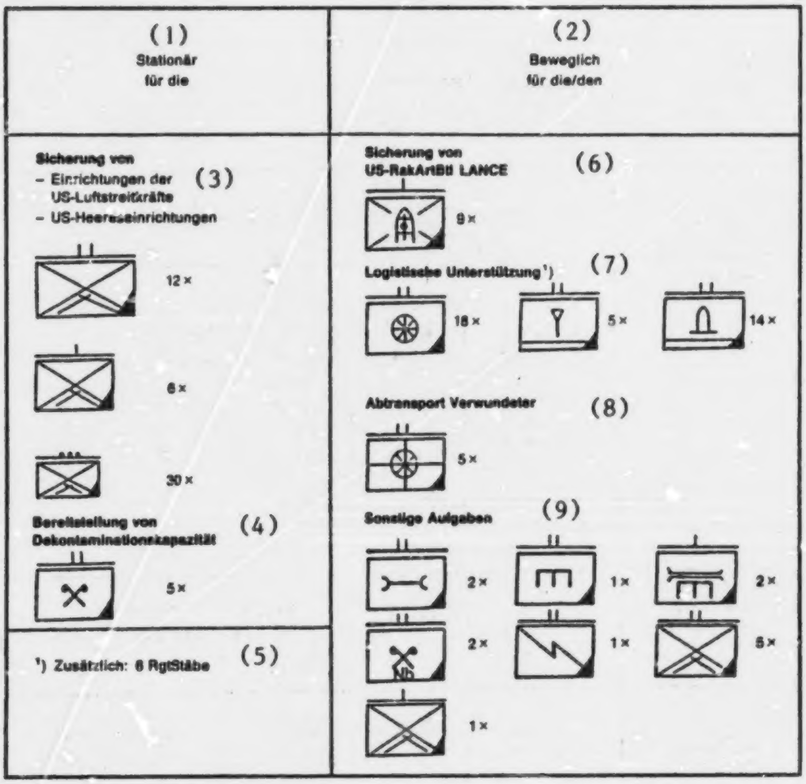
Figure 1. Overall Strength of Army WHNS Units

Key:

1. Command/liaison
2. Support command
3. Includes one equipment unit
4. Units with direct support mission
5. Supply, medical service, personnel
6. Training
7. NBC defense training center
8. Supply training center
9. Combat unit training center A
10. Combat unit training center C
11. Medical training center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(2)
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– Einrichtungen der
US-Luftstreitkräfte
– US-Heereseinrichtungen
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9×
Logistische Unterstützung¹)
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Abtransport Verwundeter
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Sonstige Aufgaben
(9)
2×
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1×

Figure 2. Distribution of WHNS Support Units

Key:

1. Stationary
2. Mobile
3. For the security of U.S. air force, U.S. army installations
4. Providing decontamination facility
5. In addition, 6 regimental staffs
6. For the security of U.S. "Lance" rocket artillery battalions
7. Logistic support
8. Removal of wounded
9. Other assignments

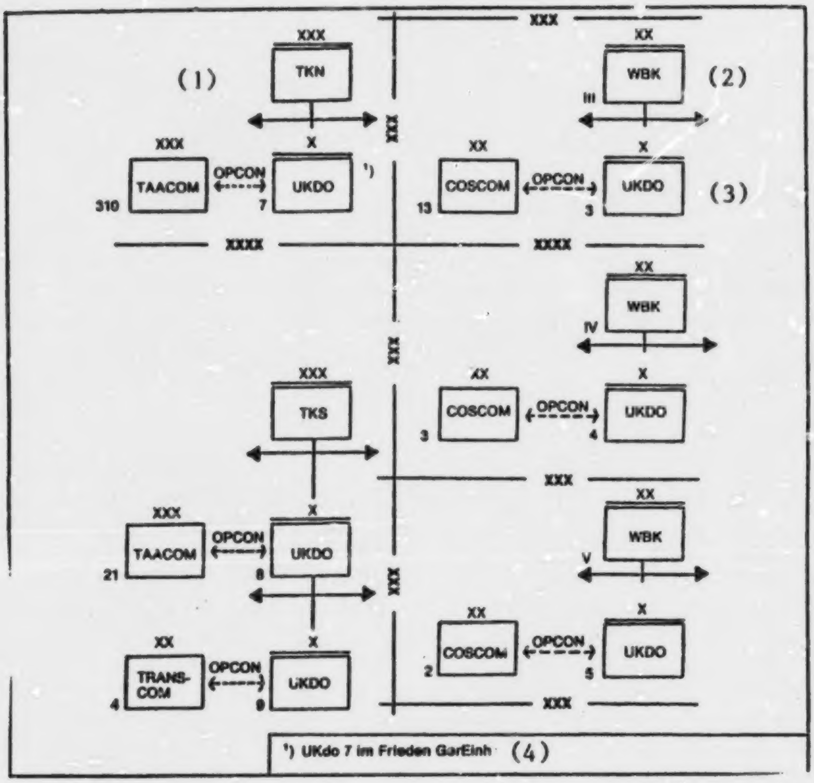
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Figure 3. Levels of Cooperation for Army Support Commands (in National Defense Emergency)

Key:

1. Territorial command
2. Military district command
3. Support command
4. Support command 7; an equipment unit in peacetime

9478
CSO: 3620/691

ARMS INDUSTRY REPORT ON PRODUCTION, FUTURE PLANS

Athens TA NEA in Greek 3 May 86 p 12

[Text] During the past year, the Greek Arms Industry (EVO) manufactured 22 new products (weapons systems) of advanced technology and its sales reached 7,585 million drachmae. Of this, (during the past 4 fiscal years) 52.2 percent of the sales was made abroad. At the same time, EVO had a net income of 286 million drachmae in 1985 (1,986 million before taxes and depreciation) and investments up to 2,764 million drachmae.

The above is part of EVO's 1985 administrative council report to stockholders in which the chairman, Mr. Vikendios Arsenis, emphasizes that:

"The operations and development of new technologies and products of the EVO conglomerate are exclusively the result of the dynamism of management and skilled personnel. The maximization and prompt achievement of the goals, which are set each time, are reached through collective effort and the participation of the workers from all company levels.

"The new attitude that has been created and the manner of working for the development of EVO, aiming first and foremost at fulfilling the ever-increasing needs of the Armed Forces, fills both management and the workforce at EVO with optimism for the future.

"The implementation of the investment program is expected to make EVO one of the top defense industries in Europe."

At the same time, he underscored that:

"If the Armed Forces were to give us the programs of the purchases they anticipate making in forthcoming years, or their strategic selections, our programming and decisions would have a secure starting point."

According to the report, the 22 items chosen for development, mostly according to the needs of the international market, are:

1. 81-mm. mortar

2. 155-mm. ERMIS projectiles (24 kms.)

3. 155-mm. ERA projectiles (40 kms.)

4. Conversion of 155-mm. M-107 projectiles into ERMIS

5. DEFA projectiles

6. EMERLEG projectiles

7. ARTEMIS-30 projectiles

8. FAIRFOX hunting rifle

9. Supercharge gunpowder

10. 10-inch ammunition

11. Machine accessories and tools

12. FIC fuel tanks

13. T2-E fuel tanks

14. Ejector units

15. ARTEMIS-30 self-propelled

16. Ground-to-air missiles for ARTEMIS-30

17. Conversion of M 114 guns into 39- and 45-mm. calibers

18. ARIS IV anti-tank

19. 120-mm. mortar and ammunition for it

20. 5-round hunting carbine

21. Double-barrel shotgun

22. Commercial nitrocellulose

Of the aforementioned items, the first 13 are already in production and are available, while the remaining nine are (as of January 1986) in an advanced stage of development or in experimental production.

It is of interest to note that these items, which are not manufactured in Greece and cannot be produced by any other Greek industry, are classified as "weapons systems" and combine technical knowledge and manufacturing capability in the weapons, munitions and electronics fields. Thus, today, not only are there no overlapping manufacturing operations and competition with other Greek industries--because we do not manufacture the same items--but EVO has been internationally established as a dynamic, trail blazing industry.

"The selection of new products--it is pointed out in the report--was made with the criterion concerning the influence that their development and production would have on our own organization. In other words, we made the kind of products that would give us the opportunity to change our structure and organization by raising the technological level of the firm's potential in order to be able to meet future needs.

"We have created our own technology because we came to the conclusion that the purchase-transfer of technology is more often than not counter-productive because it is disporportionately expensive and technologically obsolete when available and specialized in a single product.

"At EVO we always hung on to the responsibility of creating the final product, both in design and production, by adding foreign specialization to our technology only for part of our programs in order to satisfy the time limitations of the market."

A special chapter of the report is devoted to the ARTEMIS-30 anti-aircraft system and to the allocation of its production, which was carried out in different plants of the firm (Aigion, Mandra, Lavrion, Ipeiros and Kymi). Parallel to the production of ARTEMIS-30, however, EVO continued its research efforts to develop and add ground-to-air missiles and self-propulsion to the system.

Investments of 380 million drachmae have been made at the Aigion plant so that when the production of the G-3 rifle is completed, it will have the capability of manufacturing other products.

As a matter of fact, in its effort to replace the sales of the G-3, which will end soon, EVO designed and made ready for production the first hunting rifle of Greek manufacture, the FAIRFOX 2000. This gun, which is intended for big game hunting, has already had a successful sales career in Northern Europe and efforts for its sale are being directed at North American markets.

Additionally, it began the development of the 120-mm. mortar, whose prototype has already successfully completed its first firing trials.

EVO's hunting rifle production, which began so successfully with big game guns, is continuing with the completion of models for the Greek market with a view to replace the importation of hunting guns because there is no other Greek manufacturer. It is hoped that the automatic carbine and the shotgun will be ready for the market by the next hunting season.

Fiscal year 1985 was the most productive ever at the Lavrion plant because it developed new products of great strategic value such as:

A monobasic gunpowder (with a world-wide exclusive patent for EVO)

155-mm. medium and long range projectiles

Nitrocellulose

Gunpowder for ARTEMIS-30 ammunition

8-inch artillery projectiles

At Mandra (general mechanics), on orders from a foreign country, production has begun on disposable auxiliary fuel tanks for the T2-E aircraft of the Air Force and for the MIRAGE F1-C.

"We hope that soon we will also be chosen by the Greek Air Force to build the F1-C fuel tanks so that they will not only be sold abroad, but that the technology acquired in this field will not be wasted," it was pointed out regarding this matter.

Research is already under way for the fuel tanks of the MIRAGE 2000 purchase by Greece.

The Ipeiros plan's (steel industry) contribution is significant. It manufactured base coverings for casings and shells and shrapnel (for Greece and for export).

Finally, at the Kymi plant, which will begin operations in October 1986, 800 million drachmae were invested and a workforce of 150 is to be employed. In addition to assembling the ARTEMIS system, reinforced plastics will be manufactured.

Let us examine EVO's prospects as set forth in the report.

EVO, Inc. has formulated a 5-year development program based on estimates of the operational needs of the Greek Armed Forces and of the international market. Thus, it is expected to influence, within the next 5 years, the following weapons systems programs now under development, which entail the expansion of technology for the guidance, propulsion and filling of projectiles with new explosive materials as well as reinforced plastics.

1. Anti-aircraft systems sector

a. Medium range ground-to-air missile (incorporation of a missile system into ARTEMIS-30)

b. Self-propulsion of ARTEMIS-30

2. Long range artillery sector

a. Long range surface missiles (100 kms.)

b. Manufacture of heavy artillery for medium range (40-50 kms.)

3. Anti-tank weapons sector

a. Improvement of third generation ARIS systems, etc.

b. Hypervelocity armor-piercing projectiles (heavy missiles)

4. Aerial bombs sector

a. Stand-off weapons

b. "Smart bombs"

(The stand-off weapons are bomb systems that open over the objective and drop several small bombs equipped with small parachutes. It is an ultramodern system. The "smart bombs" are guided bombs equipped with a target search device.)

Lastly, EVO expects investments to reach 2,795 million drachmae in 1986.

9731
CSO: 3521/154

DELAYS IN MIRAGE AIRCRAFT PURCHASE

Athens I VRADYNI in Greek 8 May 86 p 18

[Text] The much-publicized government accords for offset benefits for the purchase of combat aircraft turned out to be a fiasco and problems have already arisen in the coproduction of the 40 MIRAGE 2000s.

As the Minister of National Economy, Mr. K. Simitis, stated yesterday, many problems have arisen in the accord concluded with France for the MIRAGE 2000 while the agreement for the American F-16s has not yet been concluded. It should be noted that the 40 MIRAGEs cost 7.6 billion Fr. and the 40 F-16s, 1 billion dollars.

According to official statements, the manufacturing firms committed themselves to provide offset benefits in an amount equal to 60 percent of the cost of the MIRAGE and 100 percent of the cost of the F-16. Payment by Greece for the combat aircraft is to be made within 8 years, while the foreigners have a period of 15 years in which to provide the offset benefits, without, however, any definite guarantee that they will be met. For instance, as the government has revealed, the French side of the agreement called for France to submit by 22 January 1986 a concrete plan for the promotion of tourism, but it has done nothing to date.

A plan to promote Greek exports was to have been submitted by the same date, but it was delayed for 2 months and it has yet to be defined.

An agreement for coproduction, which significantly influenced the coproduction program of the MIRAGE 2000 aircraft by French firms with EAV, has yet to be reached despite the fact that it was to have been signed by 22 January 1986.

Lastly, it was announced that the Greek side (National Economy ministry) is investigating the transfer of French technology worth 700,000 Fr. to a Greek corporation.

9731
CSO: 3521/154

NEED FOR NAVAL MODERNIZATION, ROLE DEFINITION PRESENTED

Shopping List of Needed Ships

Lisbon O DIA in Portuguese 24 Mar 86 p 12

[Text] The factors that affect all of the world's armed forces also affect the Portuguese armed forces' ability to procure equipment. These factors consist of the constant tense relationship between military and civilian expenditures, the classic dilemma of guns or butter that is now being aggravated by the recessionary climate and general lack of funds. Domestically, we can also add to this a lack of a defined role for the three branches of the armed forces.

In the public's eyes, the search for new naval materiel translates into the negotiations with NATO countries to acquire ocean going frigates. In reality, however, this is a much more complex problem. The Portuguese Navy's primary role now is to defend our territorial waters and our exclusive maritime zone against surface ships and submarines, to inspect and patrol these areas, and carry out search and rescue missions. Since it does not have its own aircraft, many of these missions must be supported by the Air Force.

There are also the operational demands made on it as a result of our participation in the Atlantic alliance. This means, for example, that it participates in STANAVFORLANT.

We can see from this that the Navy at a minimum needs the following ships:

(a) ocean going escorts
(b) anti-submarine warfare ships
(c) minesweepers
(d) patrol boats

To these front line ships should be added support ships to supply them, provide repairs and carry out oceanographic surveys. If we also want to maintain a minimal dissuassive capacity, we need the following attack or counter-attack capability:

(a) submarines
(b) amphibious forces (marines, amphibious combat, reconnaissance, and transport vehicles, landing craft, troop and materiel carriers)

The Navy has much of this materiel now; however, it is aging rapidly. It has the Dealey class escort ships, which were built almost 30 years ago, as well as minesweepers and several landing craft. The Dealey class ships were designed for anti-submarine warfare. In Portugal, these are known as the "Pereira da Silva" class frigates which are armed with torpedoes, two anti-submarine Bofors rocket launchers each armed with three rockets and cannons.

The MEKO Class Frigate Question

The acquisition of European frigates (the Dutch Kortenaer class or the equivalent German F122 were considered first and now the MEKO 200 class frigate is under consideration) is especially geared toward replacing the Dealeys and acquiring the modern means to carry out anti-submarine warfare. Reportedly, the Dealey frigates would then be sold to a militarily less sophisticated and less demanding Latin American or Asian country.

The MEKO 200 are much more modest ships than the Kortenaer. They can be powered by a mixed diesel and gas turbine (CODOG) system or only with a CODOG. They have a 2,000 ton displacement, carry a crew of 123 men and cruise at high velocity (35 knots as opposed to 30 for the larger MEKO 360H ordered by Argentina and Nigeria). They can be armed with two 7.6 cm cannons (of the Oto Melara type, for example), a short range anti-aircraft missile system, torpedo platforms, two or four surface to surface missile launching canisters (Harpoon type) or an ASROC anti-submarine system at the expense of one of the cannon or the anti-aircraft system.

These ships do not have a hangar for helicopters, however, a special platform can be installed also at the expense of the anti-aircraft system and/or the cannon.

The MEKO is built by the West German shipbuilders Blohm and Voss and its acronym stands for "Mehrzweck Kombination" or multifunctional combination. It has two radars, one for long range scanning and the other for scanning/fire control. It has a computerized search/attack sonar, digital command control as well as two pilots. It has an electronic warfare counter measures system, IFF/SIF communications equipment and two metal fragments launchers to throw off surface to surface missiles.

A Bargain?

The main problem with the MEKO 200 is the fact that it will replace anti-submarine warfare ships without having the right equipment for this type of mission. It is debatable whether or not the ASROC can be easily installed on it and its torpedo system is only effective against submarines cruising at low depths. In addition, Portugal has 10 modern corvettes (called light frigates by NATO) which were also built by Blohm and Voss and by the Spanish Bazan Shipbuilders. These are the "Joao Coutinho" and "Baptista de Andrade" class ships. The corvettes can be easily adapted for anti-submaring warfare with the installation of helicopter platforms, the addition of anti-submarine rocket launchers, or a mini ASROC and anti-aircraft weapons such as the Sea Sparrow missile system and surface to surface missiles such as the Harpoon or the Exocet.

We continue to feel that it would have been better to update the 10 corvettes' armament instead of getting the MEKO. It would be interesting to know what the specialists of the Portuguese Navy think on this subject.

Ships to Fit New Role

Lisbon O DIA in Portuguese 1 Apr 86 p 12

[Text] The Portuguese Navy's role changed from that of a naval force turned toward other continents, a force prepared for military intervention and maintain a symbolic political presence in African waters, to one involving more modest missions of collaboration with NATO in permanent forces such as STANAVFORLANT and to patrolling Portuguese territorial waters. This change came about as a result of the diminution of Portuguese territory and the self-absorption with Europe. Of course, the fact that the Atlantic islands remained Portuguese alters somewhat this operational restriction. It gives the Navy the dual role of a coastal fleet and an ocean going navy. It can be said that we are before a strong exception that confirms the rule.

Urgency of the Reform

There are those who still believe in the resurrection of military cooperation with non-European countries, especially African ones. Let us just look at the increased operational responsibility that the use of Cape Verde would provide. This, however, would require an overall revision of the strategic concept of defense.

Even in the current context, there are still questions (as we saw in the last article) concerning the acquisition of new equipment and modernization to be thought about. It is difficult to defend territorial waters well, for example, in an age of electronic warfare and guided missiles without having the devices to permit a response beyond the horizon (i.e., surface to surface and surface to air missiles of at least medium range). For its part, anti-submarine warfare needs modernization because of new camouflage methods for submarines. There is a need to use helicopters, third generation weapons such as the ASROC and advance means of detection. The capacity for dissuasive action cannot exist without a small fleet of modern submarines and a multi-mission amphibious force.

Let us look at the expenditures for naval vessels. We now have three ocean going escort frigates (the "Pereira da Silva" class) that are antiquated because they did not undergo the same modernization effort that was made by the Norwegians with their "Oslo" class, four other frigates of the "Joao Belo" class and 10 corvettes (which NATO classifies as light frigates) with less than 20 years of service. None of these ships has surface to surface or surface to air guided weapons and their anti-submarine weapons systems are relatively obsolete (especially those in the "Coutinho" and "Andrade" class corvettes). None of them has fixed facilities for helicopters.

An Alternative Upgrading Plan

An alternative to the purchase of the German MEKO frigates could be suggested. It would involve upgrading the existing ships to perform multi-roles. These roles would be based on the priorities of providing a defense against surface vessels and submarines as indicated above. It would prepare them for modern warfare. This alternative would involve the following:

(a) Mothball the "Pereira da Silva" class frigates or upgrade them as the "Oslo" class frigates were upgraded. Have them fitted with a short range surface to air battery (such as the Sea Sparrow, Sea Penguin or Harpoon missiles) and a modern anti-submarine rocket launcher such as the Ikara or Malafon;

(b) Provide two "Joao Belo" class frigates with the facilities to carry an anti-submarine warfare helicopter in exchange for a 10 cm gun turret and two others with surface to surface missile launchers such as the Exocet;

(c) Upgrade the 10 corvettes by equipping them with electronic warfare equipment, an anti-aircraft battery such as the Sea Sparrow or Aspide, two or four surface to surface missiles such as the Harpoon, anti-submarine rocket launchers such as the Bofors and possibly install a helicopter platform on five of the corvettes for anti-submarine warfare.

As for the procurement of new ships, we could choose a smaller program which would essentially involve domestic production:

(a) Increase the fleet of fast patrol boats (large and coastal) to 35 boats with some possibly equipped with Harpoon missiles;

(b) Procure a small fleet of minesweepers to replace the "S. Roque" class minesweepers;

(c) Double the support fleet by acquiring another ship fitted for amphibious warfare;

(d) Supply the marine corps (now at 2,600 men) with tracked armored vehicles, guided anti-tank weapons, light artillery and portable anti-aircraft missiles.

Next week, we will look into how this suggested quantitative and qualitative change would fit in the national defense framework.

9935/9435
CSO: 3542/92

INSTITUTE DIRECTOR SEES ARMED FORCES POORLY EQUIPPED

Lisbon DIARIO DE NOTICIAS in Portuguese 30 Apr 86 p 4

[Text] "The Portuguese armed forces are not equipped to meet the new situation, which gives priority to Europe as opposed to our historic tradition which always put the emphasis on the preservation of the empire," declared Alvaro de Vasconcelos, director of the International and Foreign Studies Institute, in a debate sponsored by the Portuguese Association of Diplomats.

In his remarks, Alvaro de Vasconcelos said that the international situation has evolved so as to again place Portugal near to the external area of greatest conflict, given its geographical position and the proximity of the African coast. He foresaw the possibility of a breakdown of commerical relations with the African countries "if economic cooperation is not accompanied by military cooperation.

Alvaro de Vasconcelos said that the incorporation of Portugal into the EEC can "make an important contribution to the development of European relations with Latin and South America."

12942/12947
CSO: 3542/100

SPITAELS, GOL COMMENT ON PUBLIC SECTOR WORKERS' STRIKE

Brussels LE SOIR in French 9 May 86 pp 1, 2

[Interview with Guy Spitaels and Jean Gol by Guy Duplat in the column "A Bout Portant": "... Guy Spitaels and Jean Gol"; date and place not given]

[Text] Question: Was Tuesday's strike political or social?

Jean Gol: It is difficult to understand a strike against measures which have not yet been decided on or announced. For some of its organizers, this strike was a political strike directed against the government. The main victims of this strike, however, were the ordinary citizens whose life was disturbed and the public services themselves, whose image did not improve in the eyes of public opinion.

Guy Spitaels: That distinction is valid for strikes in the private sector, but in this case it didn't make any sense at all because for the public services the employer is also the government and the distinction between what is political and what is social is very tenuous. The warning to the government was very clear.

Question: It is a strike by the public enterprises; does this sector feel very threatened?

Gol: The public sector in Belgium has done nothing but grow during the period of prosperity and even more -- alas -- during the first years of the crisis. We must reduce the size of the state if we want to reduce the public finance deficit and allow the economy, which is being suffocated by the growth of the state, to live and modernize itself.

Spitaels: That sector is very worried. I have, for example, the figures concerning participation in the train conductors' strike at the SNCB [National Belgian Railroads]. Those figures are very interesting, because they involve a category which is traditionally not much inclined toward striking, and I see that more than 90 percent of them were on strike in Liege and Mons, more than 80 percent in Ghent and Hasselt, etcetera. This rate of participation is revealing in terms of the mobilization in the public services.

Question: Has this strike demonstrated the rebirth of a common front and the return to the street by the socialists?

Gol: Just a few days ago, the socialists were complaining about the government taking too long to implement the necessary savings. And today they are protesting beforehand against all the measures the government might decide to implement.

Spitaels: As a Walloon, I would note first of all that there was no North-South cleavage in the strike, a cleavage which is often a question and a worry for us. There is no doubt that the strike was very significant in the Flemish cities such as Antwerp, Courtrai, and Ghent. The union organizations were not divided by the language border.

On the other hand, I would like to stress the success of the strike on parochial education. In the past, every time an action took place they said that public education was wrong to demonstrate, because it was losing its strength relative to parochial education. But today I see that all systems are participating in the strike and today also, the Christian education unions are demonstrating in Brussels.

Question: Has the strike been a success for its organizers?

Gol: The strike was made easier in the public sectors and in education by the blocking of transportation, the stability of employment in the majority of the sectors, the possibility of taking vacations, and the fact that in education both students and parents have gotten used to strikes in the schools being nearly as regular as public holidays. As a matter of fact, the children are starting to say: we have a strike today, as they would say we have gym or math. In this respect, I am happy actually that contrary to custom, there was apparently more participation in the strike by parochial education than by public education.

Some people also see an advantage in the fact that in case of a strike the RTBF [Belgian Radio Broadcasting and Television System -- French Service] broadcasts continuous music programs.

Spitaels: What the government wants to settle at the conclave is so serious that all the socialist forces are being mobilized. At the time of our big demonstration on 31 May we will even see the mutual insurance companies demonstrate for the first time in 15 years. It is a union to stop the government projects.

Question: What could the consequences of the strike be for the government?

Gol: The lesson the government should draw from this strike is that it will be necessary to explain well the vital necessity for our country to implement budgetary savings and the exact scope of the measures the government will decide on. The government is very convinced that it will not allow itself to be influenced by pressures of any kind in the work for the public good it is embarking on by reducing state spending.

Spitaels: It is always being said that education is one of the main sectors threatened by the cuts, as are social security and the public enterprises. Three areas which our militants are very sensitive to. The great nervousness of parochial education will cause problems for the Christian wing of the government. The strike and the anxiety of numerous sectors must produce a serious problem for the social Christian left wing. On the other hand, when you see the problems of the majority in the Walloon region, you could say that the Christian partner is in labor, as you would say about a woman in the process of giving birth.

8463
CSO: 3619/48

ECONOMIC DENMARK

GOVERNMENT EFFORTS TO CREATE JOBS SETS NEW RECORD

Job Creation Record

Copenhagen BERLINGSKE TIDENDE in Danish 30 Mar 86 p 13

[Article by Frank Dahlgaard]

[Text] The following analysis of developments under the Four-Leaf-Clover government shows that the vast majority of jobs have been created within the protected domestic-market industries.

The job creation under the Four-Leaf-Clover government beats all records. In the course of the last 3 years, the employment rate among wage and salary earners has increased by 150,890 persons, computed on a full-time basis. This is equivalent to the creation of an average of well over 200 new jobs every single workday since Poul Schluter took over as prime minister in the fall of 1982.

If the rate of employment had increased correspondingly under a Social Democratic government, there would hardly have been any limits to Anker Jørgensen's and Svend Auken's boasting.

On the basis of the contributions made by employers to the General Supplementary Pension System, the Department of Statistics each quarter calculates the rate of employment among wage and salary earners. The figure indicates the number of fully employed and has been seasonally adjusted so that it is possible to follow the trends quarter by quarter.

In the following graph, BERLINGSKE TIDENDE shows developments in the rate of employment among wage and salary earners since the change of government in 1982.

As will appear from the graph, the rate of increase in the employment rate among wage and salary earners has accelerated throughout the period: during the first year of the Four-Leaf-Clover government, only 15,900 new jobs were created, during the second year, another 54,600 jobs were added, and during the third year of the Schluter government, the rate of employment increased by as much as 80,400 full-time jobs.

The figures shows that the rate of employment increased very sharply during the first quarter of 1984. When, in the spring of 1984, the Department of Statistics received tapes with the data of the General Supplementary Pension System, they simply did not believe the figures to be true!

For, during the many years of Social Democratic government, the Department of Statistics had got used to seeing sharp increases in the rate of employment only when the public sector expanded sharply, and that, of course, was no longer the case.

The Department of Statistics, therefore, decided not to publish the data of the General Supplementary Pension System until the figures for the following quarter had been received. These figures, however, showed a high and even higher rate of employment, and the figures were then published, with every conceivable reservation.

The army of chief economists within the world of finance and the various trade unions kept questioning the accuracy of the figures for still some time, but since then everybody has had to recognize that the data of the General Supplementary Pension System actually have given a correct picture of an astonishing trend in the rate of employment.

Political Stability

There are obviously two reasons why the number of jobs within the private sector increased very sharply during the spring of 1984, viz.:

First, the parties in the labor market agreed on very moderate collective agreements in the spring of 1983. The result was a calm labor market and a continued decline in the rate of increase in wages and salaries, which caused the interest rate to start dropping.

Second, the elections to the Folketing on 10 January 1984 resulted in a victory for the Four-Leaf-Clover government, which now achieved the majority in the Folketing together with the Radical Liberal Party outside the Social Democratic Party and the Progressive Party. The result was political stability which was further strengthened by the compromise in April between the government and the Radical Liberal Party.

As a result, confidence was created in 1984 that the policy of recovery would be continued, and the business sector responded by drastically speeding up production and investments. This brought about the creation of a multitude of new jobs.

The graph shows that the same thing happened in 1985:

It is true that the parties in the labor market did not reach agreement on any new collective agreements in the spring of 1985, but after the intervention on the part of the responsible majority of the Folketing, the low rate of increase in wages and salaries was maintained, and peace within the labor market was restored rather quickly.

The result was further drops in the interest rate and a new boom in the rate of employment among wage and salary earners.

Even if the figures of the General Supplementary Pension System during the last two quarters have shown an increase in the employment rate that is even sharper than in 1984, the Department of Statistics has not refrained from publishing the figures this time. Taught by experience, they have come to recognize that the economic recovery is actually in full swing. A recovery in which the high employment rate within the private sector is leading the way.

Alarming Developments

The statistics of the General Supplementary Pension Systen make it possible to examine how the new jobs have been created.

The table thus shows the distribution on the various trades and industries of the 150,890 full-time jobs that have been created among wage and salary earners in the course of the last 3 years.

Growth in Number of Jobs Under Schluter Government

Rate of Increase in employment of wage and salary earners, computed on a full-time basis during the period from 4th quarter of 1982 to 4th quarter of 1985	Rate of Increase in Employment	
	Persons	Percent
Agriculture, fisheries, etc.	2,028	5.3%
Trades and Industries	49,576	12.9%
Building and construction sector	24,812	22.0%
Wholesale and retail sector	19,719	8.1%
Restaurants, hotels, etc.	2,855	9.5%
Transport sector	6,100	4.4%
Banks, insurance companies, etc.	22,234	16.1%
Repairs and services	1,881	7.4%
Other services of private sector	259	0.6%
Public services	13,714	2.0%
Occupations not stated	7,712	-
Total rate of growth in employment within private sector	150,890	8.2%

Source: Employment Data based on contributions to General Supplementary System, the Department of Statistics

A study of the figures of the table will lead to the not too pleasant conclusion: Although only a minor part of the increase in the rate of employment occurred within the public sector, the vast majority of new jobs were created within the typical domestic-market trades and industries.

Within the traditional export sectors--agriculture, the fishing industry, the trades and industries--the employment rate has increased by nearly 52,000 full-time jobs in the course of the last 3 years. By way of comparison, it may be mentioned that the employment rate increased by approximately 90,000 full-time jobs within the protected domestic-market trades and industries--the building sector, the commercial sector, the restaurant and hotel business sector, the finance sector, other private service sectors as well as within the public sector.

In other words, the recovery policy that has been pursued has, to a small extent, adjusted the relative strengths of the public and private sectors, which has a moderating influence on the burden of taxation.

However, there has been no adjustment in the relative strengths of the domestic market industries and the export industries, which are important for Denmark's ability to produce and export in order to overcome its foreign exchange problems.

It is true that the trades and industries account for the major absolute increase in the employment rate--nearly 50,000 full-time jobs. Given the size of the sector, however, the increase is only 12.9 percent, which is no record.

High Rate of Activity Within Building and Finance Sectors

The highest rates of activity take place within the building and construction sector, which in the last 3 years has increased its employment rate by no less than 22 percent. The enormous increase in the building rate within the business sector and thus the expansion of the production apparatus, of course, accounts for a considerable portion of this record-high growth rate. The increase in the growth rate, however, has also been caused by a higher rate of building activity within the housing sector and a higher rate of construction activity within the municipal sector prior to the municipal elections (swimming pools, sports grounds, etc.).

As is well-known, the boom that has taken place within the building sector has given rise to a wage drift and has most certainly justified the intervention on the part of the government last Christmas.

The sharp increase in the rate of employment within the finance sector (banks, savings banks, credit associations, insurance companies, real estate companies, etc.) is also remarkable. A total of 22,234 more jobs, equivalent to an increase of well over 16 percent. Also in this area it is a question of a domestic market boom, which, it is true, will improve the employment rate but not the balance of payments.

The increase in the job rate within the wholesale and retail sector of well over 8 percent also reflects the increase in the growth rate within the domestic market sector. Here the increasing private consumption has provided the incentive. The same thing applies within the restaurant, hotel and amusement sector, where the increase in the employment rate, unfortunately, has not been caused by any larger number of tourists but by an increase in the domestic consumption.

More Employees Within Public Sector

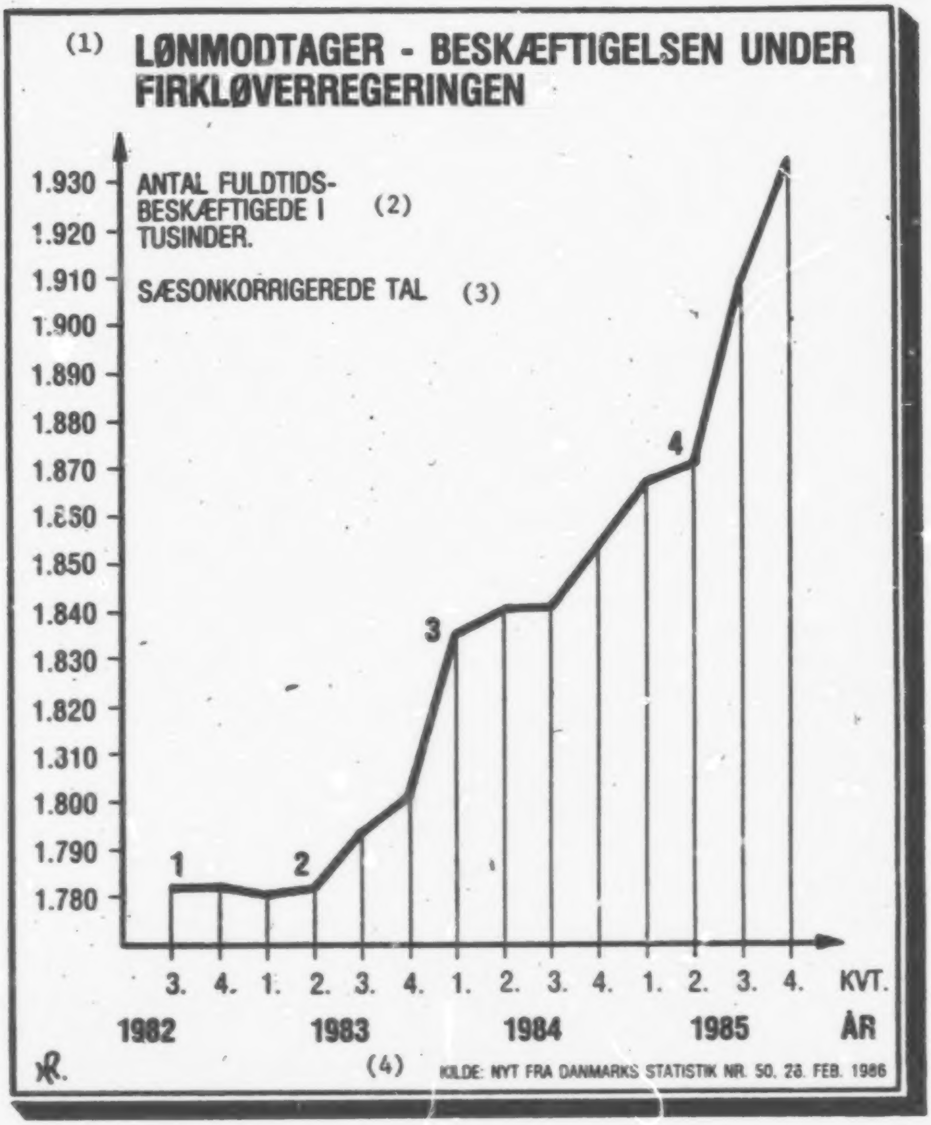
The table shows that since the change of government the employment rate within the public sector has increased by 13,714 full-time jobs.

The growth within the public sector, however, has been very skew during the last 3 years:

The rate of growth in personnel employed by the state has thus amounted to 0.4 percent only, while there has been a growth rate of 1.5 percent within the municipalities and counties. Independent bodies (subsidized by public funds), however, have experienced a growth rate of no less than 10 percent. It is thus evident within the public sector that the longer one moves away from the governing authorities, the higher the rate of increase in costs and personnel.

Controlling the private sector, naturally, is far more difficult. A study of the table will clearly show that the economic boom and the sharp increase in the employment rate primarily are a domestic market boom.

In order for the recovery policy to succeed, the creation of new jobs will have to shift to the export industries. This is exactly the government's big problem.



(1) LØNMODTAGER - BESKÆFTIGELSEN UNDER FIRKLØVERREGERINGEN

(4) KILDE: NYT FRA DANMARKS STATISTIK NR. 50. 26. FEB. 1986

1. Anker Jørgensen gives up, and Four-Leaf-Clover government takes over.
2. Labor market agrees on new collective agreements--inflation in wages and salaries declines.
3. Government wins parliamentary election on 10 January. Political stability.
4. The Folketing imposes a 2 percent pay ceiling--calm restored in labor market.

Key:
1. Employment rate among wage and salary earners during Four-Leaf-Clover government.
2. Number of full-time employees in thousands.
3. Seasonally adjusted figures.
4. Source: NYT FRA DANMARKS STATISTIK No. 50, 26 February 1986.

Fewer Long-Term Unemployed

Copenhagen BERLINGSKE TIDENDE in Danish 27 Apr 86 p 14

[Article by RB]

[Text] A report issued by the Directorate of Labor shows that the long-term unemployment rate is steadily declining. In 1985 54,400 long-term unemployed were registered. That is 12 percent less than the previous year.

It is primarily men who have become employed, and women constitute an increasingly larger proportion of the long-term unemployed. In 1984 women accounted for 58 percent of the unemployed, while they accounted for 63 percent of the unemployed in 1985.

The report shows that the shift in the distribution of unemployed among men and women is associated with differences in employment developments.

The favorable trends have largely taken place within traditionally male employment areas, whereas typical female jobs--not least within the public sector--have been subject to setbacks, as far as unemployment is concerned.

This development is also seen within the individual unemployment benefit societies. For example, the unemployment benefit societies of the building trades and metal workers had 44 and 27 percent, respectively, less long-term unemployed in 1985 than the previous year, while the unemployment benefit societies of salaried employees and civil servants had 4 percent more long-term unemployed.

There are more long-term unemployed persons within the age group of 25-29 years.

Compared to 1984, there has especially been a large decline in the rate of long-term unemployed among the very young. The report shows that the number of long-term unemployed men within the age group of 20-24 years has dropped from 18 to 14 percent, and the number of long-term unemployed women within the same age group has dropped from 21 to 18 percent.

Of the 54,400 long-term unemployed registered as long-term unemployed in 1985, a little over 50,000 persons accepted job offers, well over 1,500 of them were included under the education and business-start subsidy arrangements, while 2,500 accepted neither arrangement.

The number of long-term unemploed increased from 1980 to 1983. In 1984 the figure scarted declining.

7262
CSO: 3613/132

ECONOMIC GREECE

ECONOMIC INTERESTS SEEN NOT JUSTIFYING SUPPORT TO LIBYA

Athens EMBISTEVTIKO GRAMMA in Greek 23 Apr 86 pp 4-5

[Text] According to reliable diplomatic observers, Greece's attempt to appear as the most pro-Libyan country in Western Europe--an attempt whose diplomatic costs to date are unknown--is surely not justified by the level of Greek-Libyan economic relations. From 1981 on, these relations have registered a significant decline. Thus, Greek exports to Libya, which amounted to $120 million in 1981 according to data from the Bank of Greece, fell to $55 million in 1983, and were approximately $30 million last year. Moreover, Greece imported from Libya $531 million worth of goods in 1981, but only $90 million in 1985.

These figures show that Greek exports to Libya do not represent more than 1 percent of all Greek exports; it would therefore be difficult to consider them a serious factor in our diplomatic relations with this country, which, moreover, permanently owes Greece more than $10 million and will have to face insurmountable economic difficulties in the future.

On the other hand, Libya has been developing noteworthy economic relations with Turkey in recent years. Tripoli imported from this country goods worth $260 million last year. It should also be noted that in 1981 Libyan imports from Turkey had amounted to $450 million, while its exports to that country were around $900 million.

According to many diplomatic observers, Greek diplomatic support for Libya can only be explained by the PASOK's economic dependence from the Libyan regime, or by Libya's threat to recognize Denktas' pseudo-state.

/6091
CSO: 3521/142

INCREASED EXCHANGES WITH ALGERIA PLANNED

Lisbon TEMPO ECONOMICO in Portuguese 2 May 86 p 1

[Text] Next September, after a 3-year lapse, the Portugal-Algeria Joint Commission will meet in Algeria to devise measures in various fields designed to lessen the disequilibrium in the trade balance of the two countries. The commercial balance between the two countries was favorable to Algeria by 9,323,295 contos and 26,267,414 contos in 1984 and 1985 respectively.

This meeting of the Joint Commission was agreed upon after a trip to the Algerian capital by Secretary of State for Foreign Commerce Caldeira da Silva, who met with the ministers of commerce and finance and with the vice-minister of cooperation of that country. They expressed to the Portuguese representative a desire to increase commercial relations with Portugal. During his stay in Algeria, Caldeira da Silva analyzed with Algerian entities possibilities for cooperation in the areas of hydrocarbons, petrochemistry, fishing, naval construction, food canning, forestry, infrastructure, fortifications and equipment. Also discussed were broad guidelines for the meeting of the Joint Commission, which is to approve actions to be taken in the areas mentioned above.

12942/12947
CSO: 3542/100

ECONOMIC SPAIN

INCREASED TRADE WITH USSR ANTICIPATED

Madrid EL PAIS in Spanish 31 Mar 86 p 36

[Article by Pilar Bonet]

[Text] Moscow. The recent visit of the CEOE [Executive Committee of Employer Organizations] delegation to Moscow was appraised in positive terms by its leader, Jose Maria Cuevas, although its success could not yet be perceived in terms of a large number of contracts signed; moreover the Soviet participants at the meeting were not of the level which the Spanish business leaders would have preferred. The three-and-one-half day visit ended last Wednesday.

Representatives of 46 business organizations and 4 banks (Bilbao, Hispano Americano, Exterior and Central) comprised the Spanish delegation, which with respect to the breadth of its representation and the standing of the firms represented, was the highest level such organization ever to visit the Soviet Union. This was the most complete presentation to date in the Soviet Union of Spain as an intermediate class industrial power prepared to compete across the board against other advanced western countries with far greater experience in the Soviet market.

Spain, which entered this market a little over ten years ago, sells the Soviet Union less than two percent of its exports. Imports from that country totaled 381 million dollars in 1985, while exports exceeded 439 million dollars, surpassing imports for the first time, due to the decrease in the proportion of crude oil in imports from the USSR.

The visit of the business leaders, under Cuevas' leadership, devoted serious attention to two problem areas which, as matters now stand, represent important obstacles in the path of a substantial increase in trade between the two countries. On the Spanish side is the problem of the availability of suitable financing terms. On the Soviet side there is a marked paralysis in reaching decisions on the awarding of new contracts which even extends to follow up on arrangements already worked out. Western economic experts attribute this paralysis to the reduced availability of foreign exchange resulting from the fall in income from the sale of crude oil.

During its stay in Moscow, the Spanish delegation, broken down into working groups, held 180 meetings with Soviet counterparts: representatives of firms engaged in foreign trade, ministries, the bank of foreign commerce (Bnestorbank), and others. Soviet producer firms, as such, are not permitted to establish direct relations with foreign firms in tne free market economy. No change is envisaged in this area, and trade negotiations are centralized in Moscow.

It was the general view of the delegation that Spanish financing terms are the Achilles heel of many proposals otherwise well qualified as to technology and price to compete on the international level. Cuevas sees financing as one of the major obstacles in the way of the Spanish business leaders in "making headway in international markets", and he has urged the government to show sensitivity in this matter.

Spain, which is a signatory to the OECD [Organization for Economic Cooperation and Development] agreement on financing is unable to accept the rates of interest which the USSR is prepared to pay for lines of credit in pesetas -- a maximum of 7.5 percent for a five year term. This problem would be solved if it were possible to do business in another currency such as, for example the German mark, whose interest rates are lower because of its stability. However provisions now in effect governing transactions between Spain and the Soviet Union permit lines of credit only in pesetas or in dollars.

Bnestorbank and the Spanish bank representatives agreed to form a committee to seek solutions to put an end to the rejection of Spanish tenders because of financing problems.

Although the Spanish delegation did not meet the Soviet leader, Mihail Gorbachov, the head of government Nicolai Rizhkov, or other top government officials, who on occasion receive U.S. or German businessmen, they were however received by the vice president of the Council of Ministers, I.V. Arjipov, and other officials including Bnestorbank president Ivanov. The USSR Chamber of Commerce and its president Pitobranov hosted the group, which included engineering firms such as Dragados [Dredging, Inc.], Tecnicas Reunidas [United Technologies] and Centunion, as well as chemical, paper, textile and agricultural concerns and machinery construction firms.

Firms in Favor

In current difficulties arising from problems in the crude oil area, the principal Soviet foreign exchange source, some types of businesses seem to be more in favor than others. Thus, a proposal advanced by one of the Spanish paper manufacuring firms for recycling paper and paper waste awakened considerable interest on the Soviet side. The more so when the firm was also in a position to purchase something in exchange in addition to effecting a saving of materials.

At the State Committee of Foreign Affairs (GKDS), where the businessmen were received by the presiding officer, Constantine Katushev, former ambassador to Cuba, a discussion was held regarding certain projects in third countries.

Among agreements actually signed were those negotiated by Tudor, a veteran in trade with the USSR, where it was introduced in 1975. Tudor has signed two contracts for the sale of industrial storage batteries and has other proposals under consideration; altogether, it expects to achieve a sales volume of between 12 and 15 million dollars in 1986. The firm, which was able to profit from special commercial ties between India and the USSR by setting up a battery plant in India, will deliver to the USSR about $20 million worth of batteries per year out of its far east plant.

There are also good prospects for CAF of Beasain (Guipuzcoa), in negotiations to sell several hundred special trucks of various types; however to date nothing has been finalized, apparently pending action by the Soviet planning agency, Gosplan, which allocates resources in accordance with a state plan of priorities. Gosplan appears to be the point at which at present many of the projects which the Spanish businessmen would like to see included in the five-year (1986-90) plan are held up. At Gosplan the delegation was received at the chief of protocol level, which appeared to indicate a lower ranking than had been hoped for. A Jumberca representative saw possibilities for his firm among programs for the modernization of light industry and increasing the output of consumer goods. These programs would depend on contracts within a textile industry modernization project affecting a number of plants in the Moscow area, some of which date from the beginning of the century.

In the agricultural field there are opportunities in fruit juice concentrates, greenhouse construction and fertilizer manufacture, according to information received during a meeting at Gosagroprom, the new agricultural superministry created by Gorbachov. In wine beverage processing, the opportunities at the present moment appear to be in unfermented grape juice, for the production of which equipment originally installed for wine making has been redesigned. A proposal has also been made to to supply machinery for an unfermented grape juice production plant in Moldavia. There are also good prospects for ship repair, the specialty of Astilleros Espanoles [Spanish Dockyards]. A representative of that firm stated his opinion that sales in that area, presently at 1,500 million pesetas, could double if a package offer is made to the Soviets.

12383
CSO: 3548/37

MAJORITY OF BUSINESSMEN FAVOR FULL EEC MEMBERSHIP

Istanbul DUNYA in Turkish 24 Apr pp 1,11

[Text] According to a survey of businessmen's views, 70 percent of Turkish businessmen favor immediate application for full membership in the EEC, 24 percent believe that full membership in the EEC would be beneficial for Turkey even though it would harm some sectors, and 6 percent think that a decision must be made after everything is considered very carefully and that Turkey should not rush to apply for full membership.

A majority of businessmen insist that every day that is lost in delaying the application for full membership in the EEC is a blow to the growth of Turkish industrialists. Other businessmen who believe that some sectors would not survive the competition that would result from full membership in the EEC favor the strengthening of the less competitive sectors during the transition period that would follow the application for membership so that the country will not suffer the disadvantages of delaying the application. On the other hand, electronics and automobile manufacturers who believe that they have no chance of competing with EEC countries because of their superiority in technology and scale of production believe that Turkey should not apply for full membership in the EEC.

Raif Dinckok: 'Delay in Application Works Against Us'

Aksa Acrylic Chemical Industry Executive Council President Raif Dinckok, one of the businessmen who favor full membership in the EEC and who include the textile manufacturers, stated that every minute lost in applying for full membership works against Turkey. Stating that Turkey's full membership in the EEC is imperative at a time when technology is advancing so rapidly, Dinckok said: "Delaying the application would be a blow against the development of Turkish industry." Noting that they have made every possible appeal to the Turkish government on this issue, Dinckok said that the government has not been able to receive the "positive signal" it is expecting from the EEC. Dinckok said in brief:

"We sincerely want Turkey to apply for full membership in the EEC. But the EEC representatives do not want to consider us so that they can delay us on this issue. The fact that we are not EEC members, when even Spain and Portugal were admitted as members, is resulting in our economic backwardness. The current customs duties applied to EEC products are very small--not enough to protect our industries. We are already at a disadvantage because we pay customs on raw materials. Despite that, however, we are able to export. They are not asking us to apply because they are afraid of our strength. It is imperative for Turkey to become a full member of the EEC in order prevent unemployment and to develop its industry."

Muhsin Yildirim: 'Some Sectors Cannot Survive Competition'

Temsa Automotive General Coordinator Muhsin Yildirim, one of the businessmen concerned about competition from EEC industries, said that if Turkey becomes a full member of the EEC some sectors will benefit while others will not be able to survive the competition. Stating that if the application for membership is not filed immediately Turkey may lose its trump card of free movement [of workers], Yildirim said that these less competitive industries may be strengthened during the 8 to 10-year transition period. Yildirim said in brief:

"If Turkey becomes a full member of the EEC, the bus industry which is labor intensive may be able to compete, but the automobile and the light commercial vehicles industry cannot compete. However, we believe that the application for membership must be filed. If the application is not filed immediately we may lose our trump card of free movement and suffer the disadvantages of being late. In any case, after we apply for full membership we will be given a transition period. That may be a driving force for us to catch up with EEC technology."

A. Ihsan Ilkbahar: 'We Must not Rush to Apply'

Otosan Director General Ali Ihsan Ilkbahar, one of the businessmen who believe that Turkey must not rush to apply, noted that automobiles are mass-produced at low cost in Europe and said that the Turkish automotive industry will be wiped out soon after the protective measures are eliminated. Insisting that Turkey should not rush on the issue of full membership in the EEC, Ilkbahar said:

"Our disadvantage in some sectors vis a vis the EEC stems from the difference in technology. This is the natural result of mass production. If you imagine that the tooling for one automobile model costs $50 million, a production run of 5 million units will naturally have a lower unit cost than one of 50,000 units. EEC countries are ahead of us in fixed investments and are producing in large numbers. We must be careful in applying for full membership in the EEC. We must first strengthen the sectors that are considered to be weak. If the protectionist measures are lifted this industry will be wiped out in three days. Furthermore, the development of technologies in the defense industries that are tied to our industry because of foreign currency shortages would also become impossible. That is why we believe that we should not rush to apply for full membership in the EEC and that we should think it out thoroughly."

9588
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WORLD ECONOMY DEVELOPMENTS OPEN OPPORTUNITIES

Istanbul MILLIYET in Turkish 15 Apr 86 pp 1, 4

[Article by Umur Talu: "Such Opportunities Not Easily Come By"]

[Text] Developments in the world economy, their impact on Turkey and new trends in the Turkish economy have put a great opportunity into the hands of the Ozal government.

If the government can take advantage of this climate and adjust successfully to the new conditions, it will be possible to ease the economy, which has been in a state of crisis for years. Otherwise, Turkey will waste a great opportunity and disapproval of the government will accelerate as well.

The internal and external opportunities open to the Ozal government are:

1. Low Oil Prices: This development and its blessings, which Turkey has been slow to grasp, gained real importance when Iran and Libya agreed to netback arrangements based on market prices. Saudi Arabia's offer to sell cheap oil on credit during the prime minister's recent trip, followed by Iran's acceptance of a netback agreement which it had strongly resisted before, will easily bring the oil savings to more than $1 billion.

2. Declining World Interest Rates: Following the recent reductions in interest rates in Germany, Japan, Britain and the United States, the basic thrust of the IMF meeting that concluded last weekend was, "Let's reduce interest rates everywhere in the world." This will bring some relief, especially in short-term debt, for Turkey, with its foreign loans of up to $25 billion. If this trend is sustained, since it will reduce costs in the West, it may also have a positive impact on Turkey's imports.

3. Declining Inflation in West: The double-digit inflation that has plagued the West since the oil shock has now come down to the low single digits and is heading for zero. Declining oil prices are helping this along. This development is easing Turkey's import inflation burden.

4. Search for Stability in World Monetary System: Following the decision of the five wealthy nations to halt and reverse the super surge of the dollar, the search is now concentrating on limiting currency fluctuations. Efforts to keep the value of the dollar at its present "low" level are keeping the "wolf at bay," even though Turkey cannot take full advantage of it.

5. Reversal of Inflation: Owing to positive developments in the world economy, inflation in Turkey has finally reached a point that might be called a "reversal." The quarterly price increase is half last year's level. Under these circumstances, 25-percent inflation is not a pipe dream for the time being. However, if the positive psychological climate that this reversal can create fails to materialize, this opportunity will be lost, because price hikes are always waiting in the wings of the marketplace.

6. Cheap food: "Cheap tomatoes," which put the brakes on the price indexes last year in spite of everything, are on the agenda again this year. The price of much agricultrual produce is staying steady or even dropping. This situation, bad as it is for the grower, contributes to the reversal of inflation from the standpoint of the overall economy.

7. Foreign Trade Deficit Narrowing: The import and export figures for the first 2 months of the year showed that it is possible to reduce the foreign trade deficit. January exports were lower than last year, but increased by almost 23 percent in February, according to initial figures. In contrast, a downward trend in monthly import quantities began owing to the smaller oil bill. If exports continue at a stable clip, even though they are no longer booming, it will have a positive impact on Turkey's foreign exchange balance.

8. Tourism Rains Foreign Exchange: Though not a large figure to countries whose tourism has reached a certain point, Turkey has now begun to make excellent gains in this sector. Tourism income, estimated to be $1.4 billion for 1985, will reportedly rise to as much as $3 billion this year. Prohibitive as it is for Turks to vacation in Turkey, tourism is thus making a larger contribution to the balance of foreign payments than worker remittances, which are now just holding their own.

9. Further Decline in Interest: Continuation of the small reduction in interest rates made at the beginning of March has not occurred in April, but a new reduction is expected for sure by May 1. Looking at official inflation rates, it is possible that a 3-5-point reduction in interest rates would be followed by additional reductions in the months ahead. This would ease the credit burden on business.

10. Taxes Will Help Budget: This year has been proclaimed the year of the tax boom through effects of the second year of VAT implementation, advance taxation and tight oversight. Although the Treasury's borrowing efforts have been disappointing so far, the public deficit may be reduced by judicious management of the budget and the increased tax revenues.

11. Large Funds: The non-budget funds that the government is so fond of are virtually printing money. Three funds accumulated 222 billion liras in just 3 months of this year alone. The Defense Fund, at present at 26 billion liras, is expected to be 250 billion by the end of the year. Though claims of "waste" are worthy of attention in places, the billions of liras accumulating in the funds are an important resource for the government.

12. Quotas Edging Down: Western restrictions on textiles, a major pillar of Turkish foreign trade, are partially relaxing at present, though not so as to create the results Turkey desires in the long run. The recent textile agreement with the EEC opens a $1 billion resource. In addition, Treasury Under Secretary Ekrem Pakdemirli has sent "encouraging" messages back from the United States, in contrast to his earlier angry statements.

13. World Concepts Changing: The world economy, "thanks," of course, to new preferences of the wealthy countries and resources offered by oil prices, is again being put on the growth track. Implementation of the Baker Plan which was devised to benefit the dangerously indebted countries, the World Bank's return to importance alongside the IMF and even the IMF's efforts to relax the "stringent" concept are all considered early signs of a positive economic climate from the standpoint of where Turkey is.

8349
CSO: 3554/32

ECONOMIC ADVISER ON EXPORT INCENTIVES, NEW MARKETS

Istanbul DUNYA in Turkish 24 Apr 86 pp 1,11

[Report by Mehmet Yildirim]

[Text] Ankara--Prime Ministerial Counselor Adnan Kahveci stated that subsidized electricity will be provided to export-oriented industries.

Kahveci said that depending on changes in the price of crude oil Turkey may redirect its exports to Western countries and underscored the need to open up to distant markets in order to have sustained export growth.

According to information provided by Kahveci, the support of exporting firms with low-cost credit is still considered a primary means of encouraging exports. To that end prospects are being reviewed to procure low-cost financing resources for exporting firms.

Meanwhile, according to information obtained from the Turkish Electric Power Enterprise Directorate General, the subsidization of electrical energy for export-oriented industries will take the form of expanding the 10-percent discounted "conducting line rate"--currently applied to only arc-powered steel plants--to sectors that are determined to be export-oriented.

If this implementation is endorsed, sectors which are to be subsidized will receive electricity at the 10-percent discounted conducting line rate while the remaining sectors will buy electricity at the normal rate which is known as the "distribution line rate."

It is reported that the 10-percent discounted rate that is currently applied to only the arc-powered steel plants which use large amounts of electricity will first be offered to textile and apparel manufacturers since more than 50 percent of their output is for exports.

Prime Ministerial Counselor Adnan Kahveci replied to DUNYA's questions as follows:

DUNYA: It is frequently said that Turkey should redirect its exports to Western countries in view of the unfavorable effects of the decline in crude oil prices on countries which import large quantities of goods from Turkey. Would such a change make it necessary to modify the export incentive system?

Kahveci: We are reviewing the issue of encouraging exports at the production level. This can be done by subsidizing the electrical energy used by the export-oriented sectors. Of course this has a cost. Before such a procedure can be implemented this cost must be computed.

DUNYA: Can other incentive measures be introduced?

Kahveci: Export credits have always been one of the most effective means of encouraging exports. Domestic and foreign sources of low-cost credit are being reviewed for the financing of exports.

DUNYA: Can the recent developments observed in Turkish-French relations be evaluated within this context?

Kahveci: Our relations with France have been developing recently. Of course these issues cannot be resolved overnight. Furthermore, the issue is not limited to France. For Turkey, the European market is the alternative to the Middle East. That is how the issue must be approached.

DUNYA: Given this atmosphere, what was the effect of Turkey's session chairmanship of the OECD Ministerial Council?

Kahveci: Having neglected its foreign contacts for the last 65 years, Turkey has remained behind in opening up to the outside. Beside its foreign trade relations, Turkey has remained behind in making its views and values heard for the same reason. In the last two years, an intense campaign was begun to open up Turkey to the outside and to promote itself. Today, Turkey is the session chairman of the OECD. This is a major and prestigious advantage for Turkey. In addition to developing Turkey's foreign trade relations this situation will improve Turkey's stature and reliability abroad.

DUNYA: Despite all the measures taken, exporting firms still complain about bureaucratic obstacles.

Kahveci: At a time when European markets have been targeted, export procedures must be made easier. It is imperative to remove bureaucratic obstacles and to prepare the necessary groundwork.

9588
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TECHNOLOGICAL QUALIFICATION PLAN DEVELOPED

Istanbul DUNYA in Turkish 15 Apr 86 p 2

[Text] Ankara (ANKARA AGENCY) - The National Education, Youth and Sports Ministry has developed 12 proposals to enable the solution of 11 major problems encountered in "vocational-technical" training which has been stressed in recent years and in which so much hope has been vested to prevent overcrowding at the universities. According to a report on the topic prepared by the ministry, "commissions" are to be formed to work on the proposals.

The twelve formulas suggested for the improvement and development of "vocational and technical education" in the training of the "intermediate man power" needed in industry are categorized under the following headings:

--Establishment of an education fund,

--Imposition of an education tax,

--Having workplaces pay an education premium,

--Formation of an education union for school-workplace liaison,

--Payment of a fee to workplaces which contribute to schools,

--Opening schools within the framework of the workplace,

--Making instruction and testing available to all who want it,

--Make use of retired teachers, or raise the capacity of schools which train technical teachers,

--Build prefabricated or shed-type workshops,

--Shift equipment not needed to other schools,

--Make effective use of schools' revolving funds,

--Put revolving fund profits into educational services.

What Are Difficulties?

According to the ministry report, the difficulties encountered in "the training of technical manpower" targeted by the 12 proposals for solution in areas ranging from building schools to finding jobs for graduates are:

"Building schools is very expensive and time consuming. It has become difficult to equip and renovate schools to comply with technological requirements. Machinery and equipment in the schools are used at below capacity. The training available in the schools lags behind technology. Schools are limited in their ability to provide all production processes."

8349
CSO: 3554/32

ECONOMIC CONDITIONS ON CONVERTIBILITY

Istanbul DUNYA in Turkish 15 Apr 86 p 3

[Text] Ankara (DUNYA) - PARA VE SERMAYE PIYASASI [Money and Capital Market] magazine, which devotes its April issue to convertibility, contends that the current economic situation prevents the move to convertibility of the Turkish lira. Negative developments exist in the fiscal sector, according to the magazine, and there is a negative climate for convertibility. One article contends that, under these circumstances, talking about convertibility is an "affectation" and, even if the lira went to convertibility, it "would be impossible to implement" and stresses, moreover, that present conditions in the Turkish economy give convertibility of the Turkish lira "no importance beyond image and prestige."

Dr Oztin Akguc, examining "Convertibility and the Problem of Convertibility of the Turkish Lira" in the magazine PARA VE SERMAYE PIYASASI, published by Genborsa Securities Trade Inc, points out that the "prior conditions" for the transition to convertibility do not exist in the spring of 1986. He lists the conditions in the form of subheadings such as "achievement of internal economic balance, a stable growth rate, development of money and capital markets, achievement of balanced foreign trade, adequate foreign exchange reserves, harmony between foreign loan payments and foreign exchange income and formation of an effective foreign exchange market." Dr Akguc contends that the ability to meet these prior conditions has not yet been attained, that it would therefore be an "affectation" to talk of convertibility and that, even if the lira went to convertibility, it "would be on paper only" and implementation would be impossible.

In the article "Critical Line of Economy and Convertibility of Turkish Lira," attention is drawn to the funds being created in the financial sector, swollen as the result of foreign loans and the rapidly expanding monetary volume, and their development in such a way as to "destroy all economic policy preferences." It is stated that the funds have not been pointed towards any growth-oriented use, and their use for financing domestic and foreign trade is criticized. Thus, it is noted that with the addition of the pressure of international financial markets to such a development in which the Turkish economy has a financial sector "blown up like a balloon," a negative climate is created for the transition to convertibility of the Turkish lira. Assistant professor Dr Guntac Ozler stresses that convertibility is "an empty concept" without growth, stability and a sound fiscal structure and says that convertibility would have no advantage beyond "image and prestige" under today's circumstances. According to Ozler, the convertibility problem can be solved only if the internal and external economic balances can be better controlled.

8349
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ELECTRICITY PRODUCTION, USE, INVESTMENTS IN 1985

Brussels LA LIBRE BELGIQUE in French 9 Jan 86 p 9

[Excerpt] The Belgian electrical industry has passed 1985 with real success, but not exceptionally well. Nevertheless, activity tended to accelerate near the end of the year. On the whole, the result was satisfactory. According to the FPE (Professional Federation of Producers and Distributors of Electricity in Belgium), the net consumption of electricity in Belgium rose to 49,755 GWh in 1985 from 48,017 GWh in 1984. This represents a growth of 3.6 percent. The figure is below the 1984 growth of 4.8 percent, but above the 1983 figure of 2.7 percent. The total growth in 3 years thus reached 11.1 percent, equivalent to a mean demand growth rate of 3.7 percent per year. This rate is appreciably higher than the budgeted rate of 2.5 percent in the development plan for electrical plants.

Contrary to the 2 previous years, the FPE further remarked, consumption growth was greatest (+5.6 percent) in the services sector as well as in the residential and associated sectors (+4.6 percent). In the latter sector, consumption increased despite stagnation in private spending, the increase attributed to the exceptional rigor of the winter at the start of 1985 and also to the abnormally low temperature of last November.

In the industrial sector, growth of consumption is estimated at 2.6 percent, in place of the 6.1 percent for 1984. Growth, weak at the beginning of the year, accelerated over the course of the months, reaching 4.1 percent in the 4th quarter. The large industrial sectors--especially metal working, textiles and food industries--increased consumption. Considered in the aggregate, for all sectors combined, the last 2 months of 1985 showed encouraging growth, an average growth rate of 5.2 compared with 1.4 percent for the same period of 1984.

Production Gain: 4.5 Percent

Production rose in 1985 to 54,175 GWh (net figure excluding the consumption of the power stations), an increase of 4.5 percent over the 51,851 GWh for 1984. The rise in production over consumption was influenced by foreign energy exchanges and the need for pumping. Last year, the exchanges with foreign countries were relatively balanced, whereas in the previous year there were net imports of 310 GWh.

The nuclear energy sector became quite preponderant within the total electricity production. In 1985 it reached 59.8 percent from 50.8 percent in 1984. The increase resulted from the addition to the grid of new nuclear power stations, namely Doel 4 in April 1985 and Tihange 3 in June 1985. Last August the nuclear share passed 70 percent, reaching 75 percent in October.

Increase in the number of nuclear units allowed a drop in production by conventional thermal power plants, whose share has dropped to 37.8 (21.8 percent for solid fuel, 8.9 percent for gaseous fuels, 6.5 percent for liquid fuels and 0.6 percent for recovered steam) compared to 46.7 percent in 1984. The balance of production, 2.4 percent, was supplied by hydroelectric stations.

Stationary Investment

The effort to equip the Belgian electricity industry remained significant but it did not grow. The total investment for production, transmission and distribution for 1985 is valued at F 35.7 billion, at a slightly lower level than the F 36.8 billion of 1984. Last year's figure does not yet include Belgium's share in the French station of Chooz B, equivalent to F 1.8 billion. Besides the above-mentioned two nuclear units, the following were commissioned in 1985: two plants operating on steam produced by waste incineration, a 51-MW unit at Scharbeek and another of 6 MW at Houthalen, and a 3-MW compression unit within the nonferrous metals industry at Balen.

For 1986, the plant program envisages the commissioning of 3 back-pressure units with total power of 16.1 MW within a sugar refinery; of a coal-fueled backpressure turbine of 7.5 MW replacing existing plant within a paper mill, and two small hydroelectric plants (totalling 1.45 MW). Also worth mentioning are 23 windmills (total power 4.6 MW) to be commissioned by the Ministry of Public Works at Zeebrugge.

Ultimately, in 1991 our country will have at its disposal a 25 percent share of the Franco-Belgian nuclear station of Chooz B1 and between 1992 and 1995, a similar share in Chooz B2. In 1996, the FPE affirmed, it will probably be imperative to put in service the new nuclear station N8 with an envisaged output of 1390 MW. The program of coal conversion for units formerly using other funds continued last year. The first unit of 280 MW at Genk-Langerlo became operational at the end of this year. It will be followed in 1986 by the 300 MW at Ruin and in 1987 by the second 280 MW unit of Langerlo.

Finally, it is noteworthy that the transmission and interconnection lines constructed in 1985 consist of 97 km of 380 kV lines and 2 km of 220 kV and 150 lines.

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'MODERATE' CP WING PAPER ON SKDL OPPOSITION TO NUCLEAR PLANT

Helsinki KANSAN UUTISET in Finnish 8 May 86 p 3

[Article: "SKDL's Standpoint Clear: Fifth Nuclear Power Plant Is Not Necessary"]

[Text] In the opinion of the league board of the SKDL [Finnish People's Democratic League], Finland no longer needs additional nuclear power plants: a fifth nuclear power plant is not necessary. By sharply criticizing the government's energy package at its Wednesday meeting, the league board made concrete the negative stand taken 2 years ago by the league council.

Preparation of the league board's standpoint had begun before the Chernobyl accident, which naturally added a new touch to the debate. Some comrades who had previously assumed a positive attitude toward nuclear power announced that the accident had changed their way of thinking.

It was emphasized both in the standpoint and in the debate that society must make fundamental choices about energy.

"It is a question of choosing among different alternative futures. The decisions we make can either hasten an undesired course of development or create the conditions for alternative and positive social growth," the league board affirmed.

Alternative

"Our opportunity to make choices as a nation will easily vanish unless we see in the background to alternative energy policies the existence of those power systems whose concept of the future is subordinate to international competitive ability and to an unrealistic view of man's total mastery over nature," continued the league board's standpoint.

The league board sharply criticized the KTM [Ministry of Trade and Industry] starting points behind which are dubious assumptions about the increase in needed electricity and about the effects of conservation measures.

"A tendency toward indiscriminate growth in electricity consumption undeniably leads us down unsound paths in terms of preserving a balance in the nature of innovative energy-related activity.

"Construction of a fifth nuclear power plant is not justified in terms of energy policy any more than it is in terms of the national economy," declared the league board. It also offered an alternative course of action.

"A realistic alternative consists of energy conservation, increased use of natural gas and domestic energy, employment of coal-fired power plants equipped with scrubbers, and, if necessary, an increase in imported electricity," it was affirmed in the standpoint.

Risk for Accidents Is Real

The league board stated that even though nuclear power on the whole is friendlier to the environment than other means of energy production, incalculable risks are linked to it, as Harrisburg and Chernobyl demonstrate.

"In addition, when we estimate the risk for accidents, we must take into account the serious, long-term, and often irreversible consequences of an accident."

It was also declared during the debate that no one who spoke about the advantages of electricity produced by nuclear power had even attempted to calculate the costs of the consequences of a possible accident.

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West Europe Report

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POLITICAL DENMARK

PROBLEMS FORESEEN FOR SDP, MILITARY WITH SF CABINET ROLE

Party Executive Would Control

Copenhagen BERLINGSKE AFTEN in Danish 2-8 May 86 pp 1-2

[Article by Solveig Rodsgaard: "The Labor Majority and Reality: SF's Laws Create Problems for the Red Government"; first paragraph is BERLINGSKE AFTEN introduction]

[Text] The power factor in SF [Socialist People's Party] is the Governing Body, which can dictate the policies of the Folketing group. The Governing Body will designate the ministers in an eventual government comprised of S [Social Democratic Party] and SF, and The Social Democrats must also wait for SF's Governing Body to take a position on political decisions.

It will be very difficult for an S-SF government to function--if the two parties can agree at all to form a red government when they have a majority.

Because in SF it is the party's Governing Body which has the real power, and it will therefore be the Governing Body which will designate eventual SF ministers and take positions on major political decisions which must be faced by an S-SF government. The calling in of the Governing Body is something which takes time, and such a lengthy decision-making process will greatly reduce a red government's power to act, at the same time as it will create great irritation in the Social Democratic Party.

The vice chairman of SF, Age Frandsen, recognizes the problem: "It is possible that SF's rules on calling in the Governing Body will appear a bit chaotic in an eventual government cooperation. It of course deviates somewhat from the normal method of government cooperation or cooperation between parties in reaching settlements. But we in SF have learned to live with these democratic rules, and even though they can cause problems in government cooperation I believe that we can handle them.

"We have, however, tested the situation of when SF is present in a wholly or half-formalized cooperation with the Social Democrats. In 1973, for example, SF's Governing Body was in to make a decision on the housing compromise, which was approved. In May of 1982 it was the question of the youth package, and in 1979 the Governing Body had to make a decision on negotiations with the Social Democrats concerning the OD [Economic Democracy] proposal. It was rejected."

Just that situation is not forgotten by the Social Democrats--or by SF, for that matter. SF's Folketing group would rather negotiate with the S government about the government's OD proposal, but to the great surprise of the leadership of the Folketing group the Governing Body totally rejected negotiations. The majority of the Governing Body based its rejection on that the demand for OD should come from the workplaces and not from the leadership of LO [Danish Trade Union Congress]. SF's no in 1979 blocked further action on OD for many years.

New Governing Body

It will be the new Governing Body which was elected last Sunday at the SF congress which will have the power of life and death over the party's line after a Folketing election. The Governing Body takes office for two years, and as the next Folketing election will come before January 1988 it will be the Governing Body which was just elected which will make the decision on a red government, if a labor majority is produced by the election.

In the SF law it is established that the party's leadership is the Governing Body. At the moment it consists of 38 persons besides the party chairman Gert Petersen. Twenty-three members are elected at the party congress, the 15 others are elected by the counties. A maximum of six of the Governing Body can be Folketing members. The Governing Body also selects the Executive Committee, and SF's new Executive Committee will for that matter take their seats tomorrow. In the Executive Committee the "automatic" members are the party chairman, vice chairman and chairman of the Folketing group (therefore today they are Gert Petersen, Age Frandsen and Ebba Strange), and six who are chosen by the Governing Body.

The party's highest authority is the national congress, which is held every year on the weekend of St. Bede's Day. The Governing Body is responsible for seeing that the main lines established by the congress are followed, and are appropriate to the development of the situation, and "the Folketing group must carefully inform the Governing Body about its work," as it says in the party's law.

"Cooperation with other parties, which rests on written or other expressed agreement and does not just deal with one single issue, will be presented to the Governing Body before the agreement is confirmed, and can only be entered into if a vote of the Governing Body gives a majority in favor." it says in the conditions for cooperation.

Under these laws the Governing Body will first decide whether SF will enter negotiations about government cooperation with S if a labor majority comes in following the next election. Next the Governing Body will will approve the "law catalogue" which SF's representatives on the Folketing group will take into negotiations and for later approval if the negotiations are approved or rejected. If the results are approved the formation of the government can begin, but then it is the SF Governing Body who will tell the incoming Social Democratic prime minister whom SF wants in the government and in which posts. If this all falls into place it is the Governing Body which will approve the S-SF government's law catalogue and the prime minister's opening speech--and thereafter keep watch over what the labor government wants to do. All together it is something that can be used by the nonsocialist opposition parties, not to mention the split it can cause in a red government, when the Social Democrats are waiting for SF to call in its Governing Body and thereby be legally constituted.

Dramatic

The new SF Governing Body is judged to be relatively conservative in relation to the wish for S-SF government cooperation. Sources in SF point out, however, that those recommending government cooperation received more votes than the party members who absolutely reject government cooperation.

Age Frandsen evaluates the SF congress as follows: "I believe the common line is that SF is interested in having a labor majority in order to get some results--but not at any price. Of course SF can enter into agreements and make compromises, but there are certain limits as to how far we can go. On the one side we can establish a certain responsible line, and on the other side we will follow the fundamental line.

It was dramatic at the end, when the congress' main political statement about a labor majority was to be made. The congress approved placing S-SF cooperation ahead of a formalized cooperation. But previously there had been a vote on a proposal from the party branch in Randers to equate the two forms of cooperation. The proposal was first approved, but as the vote was 139 - 137 there was another vote in which the proposal was rejected 158-141. According to SF members that is a vote which will be remembered, because it shows that a very large minority will not automatically raise the priority of government cooperation, and therefore there is much uncertainty about the consequences for SF of participating in government cooperation.

Party Conference

There were also problems for the Editorial Committee, which was to put together the main political statement. Uncertainty about the form of the cooperation between S and SF caused MP's Asbjorn Agerschou and Kjeld Rahbaek Moller from the Editorial Committee to work out a proposal that an extra congress convene after the end of the year to take a position on SF's demand for a labor majority government, and former MP Holger K. Nielsen made another proposal for an extra congress. But these proposals were soundly defeated by other MP's and delegates because they thought they would restrict the freedom of action of the party leadership. The delegates were also warned that an extra congress would give the impression of uncertainty in the party. A compromise proposal was worked out in haste by MP Steen Gade and the outgoing member of the Governing Body Lars Meyer, and it was approved. According to that, SF would hold a party conference in the fall on the demands for government cooperation, and if there has not been a Folketing election before, these demands would be a main point for SF's congress in 1987.

Besides the main political statement an EC statement was also approved, which maintains SF's opposition to the EC, but at the same time emphasizes that the demand for Danish withdrawal from the EC is no longer a condition for SF's eventual participation in government cooperation.

A statement about OD (economic democracy) and AD (labor democracy) links the two concepts together. It says that OD will be chained together with "wage earners getting decisive influence--in relation to the employer's right to lead and distribute the work--for example with introduction of new technology, with environmental and security questions and employment and separations."

Defense and Security Policy

But regardless of statements about a labor majority and the debate over a coming party conference, the most sensitive point in the eventual government negotiations between S and SF is the defense and security policy. At the national congress SF approved a new peace and security policy program, after the congress had been presented with three variations of a program plus a number of recommended changes from party associations, groups and individuals. The proposal from a number of SF members--the so-called NATO realists--about Denmark remaining in NATO was totally buried and was withdrawn by the proposers. Among them was MP Margrete Auken, who was received with great coolness by the congress in general. The proposal was supported by the custodians, those members of SF who adhere to SF's original antimilitary line, who appeared to be totally without backing at the congress. The new peace and security policy program is a compromise between the line which Gert Petersen favors and the line of the custodians, and it was approved by an overwhelming majority. The program does not include the ideas about a defensive defense.

In the new program it is established that SF is prepared to enter into a defense compromise with other parties. But the demands are:"(1) Cutting the military budget, (2) take concrete steps to get rid of all offensive weapons (that includes among other things getting rid of the F-16 aircraft, submarines, tanks and all weapons which can be used in fighting a nuclear war.) Danish defense in a real disarmament phase will emphasize the principle of being as defensive and non-threatening as possible. The most consistent outcome of that principle will be a purely nonmilitary defense."

Over the short term SF wants to liberate Denmark from part of NATO cooperation. That will happen by unilaterally leaving NATO's Nuclear Planning Group and by declaring that Denmark is a nuclear weapon free zone. Reinforcement agreements with the United States and NATO will be terminated, foreign military bases in Denmark removed, and there will be a break with the NATO integrated command system, including the Danish-German unit command.

A number of these things will be impossible for the Social Democrats to swallow. The party will not change the reinforcement agreements, bases and the integrated command system, and statements from the Social Democrat security policy spokesman Lasse Budtz, that defense and security policy could be left out of a real government agreement, are flatly rejected by SF.

"It is totally inconceivable that defense and security policy will be left out of a S-SF government. One party can not be free to enter agreements with the opposition on, for example, defense compromises," said Age Frandse

SDP Trapped by SF

Copenhagen BERLINGSKE TIDENDE in Danish 3 May 86 p 8

[Article by Ole Dall: "Election Expert: S Is Trapped by SF"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] Social Democrats are obliged to emphasize cooperation with SF, but at the same time the party is scaring away its rightwing and having a hard time winning back former S voters, who now vote nonsocialist. That is the opinion of election expert Hans Jorgen Nielsen.

"The Social Democrats are really trapped. The party is obliged to say that they will cooperate with SF, but at the same time they run the risk of frightening the Social Democrat rightwing, and in emphasizing an S-SF government it will be difficult to get the voters back who were 'loaned out' to the nonsocialist parties."

Election Theme

These are the comments of assistant professor Hans Jorgen Nielsen, Institute for Social Studies at Copenhagen University, continuing the discussion about an S-SF government. Hans Jorgen Nielsen is one of the country's foremost election experts, and he pointed out to BERLINGSKE TIDENDE a number of election strategy problems for the Social Democrats which are now in direct conflict with government cooperation with SF.

"No Social Democrat will now say that they do not want to try an S-SF government, but it is known that many Social Democrats are extremely skeptical. Social Democrat enthusiasm is being exaggerated these days," said Hans Jorgen Nielsen.

- Will a possible S-SF government be the major election issue in the election campaign?

"Yes, I believe so. If the two parties present themselves as a government alternative, that will be the main issue of the election campaign."

Problems

Hans Jorgen Nielsen anticipates that S-SF's economic policies can cause problems.

"Can an S-SF government appear with something like a combined policy? Here is a problem. They can talk about social restoration, but the nonsocialists will try to trip S-SF on whether they can be economically 'thick skinned.' Can they be convincing that they also want economic restoration--at the same time as daily allowances are being raised and cost of living allowances are being introduced? That which can save S-SF is that possibly the nonsocialists will not be successful in rectifying the balance of payments, and then S-SF can say, 'What good did that do?'"

Hans Jorgen Nielsen predicts concern in business with a red cabinet--"There will be some movement in the stock market"--and he added:

"It will be difficult for an S-SF government to say no to wage increases and demands for social compensations. There will be built-in tensions. There will be some expectations which the government will find it difficult to meet."

Utilizing Fear

- Do you believe that the nonsocialist parties will utilize the Social Democratic rightwing's fear of an S-SF government?

"Yes, they will hit upon all the problems in order to tie restoration and financing together. Where is the money coming from, they will say. The Social Democrats will have a hard time winning the Social Democratic voters back, who in 1982 voted nonsocialist. These voters will be frightened by social democracy.

"But if they are mainly reliable as the government party, the Social Democrats must say with whom they will cooperate. They can not go out and say that they will govern with the Center Democrats and the Christian People's Party--and it is also a little doubtful with the Radical Liberals.

"SF is the only possibility. The leftwing has been strengthened together, but in the beginning of the 1980's people left the Social Democratic Party. It is SF which is successful. The Social Democrats are stagnating," said Hans Jorgen Nielsen.

NATO Membership Would End

Copenhagen BERLINGSKE TIDENDE in Danish 9 May 86 p 12

[Op Ed Article by Hans Engell, Danish Minister of Defense: "Defense Signals From SF's Latest Political Congress"]

[Text] A number of years ago I had the job as a journalist of covering a couple of national congresses of the Socialist People's Party [SF]. It was an exciting task--with considerable entertainment value. They held discussions well into the night, and the heaps of papers with proposed resolutions, counterproposals, proposed changes, alternative proposals and finally approvals made one nearly snowblind. It was an amusing bit of illusory politics--SF was of course a small party, but politically uninteresting because it had no influence on real political decisions.

It is not like that today. The fickleness of social democracy--Anker Jorgensen's continuous conjectures about a red government alternative, which he himself can hardly believe in the validity of, has made it possible for SF to grow large at the cost of the Social Democrats [SDP]. It is SDP's responsibility that SF today is a central political factor. And it can remain so, unless SDP once and for all makes it clear to SF that Denmark's political future can not be built on economic and foreign policy irresponsibility.

Most seriously this uncertainty also creates doubt about the outlook for the future of defense and foreign policy. At the SF national congress a defense policy program was approved which had as its main points the following:

(1) Drastic reduction of the current defense budget,

(2) Complete change in the structure of the defense which will create difficulties in relation to integrated military cooperation,

(3) A break with a number of decisive elements in NATO strategy.

The party does not hide the fact that its final goal is a definite Danish withdrawal from NATO cooperation and--as the party's defense spokesman Pelle Voigt says, "±What is new is that we are holding firmly to our goals, but we are prepared to achieve them gradually. Through a defense compromise with SDP."

What is deeply disturbing is that social democratic leadership has not clearly and definitely stated that such a basis is totally unacceptable. If SF's policy becomes the foundation for a coming government cooperation it will be the beginning of the end for Danish NATO membership. It was a few months ago that SF recommended in the Folketing that the entire defense budget be eliminated at one stroke. Now they are apparently inclined toward reducing their demands--but that does not change the fact that even smaller reductions in the defense budget will hit defense credibility especially hard. At this time we have very large problems both in the personnel and material areas. Reductions will make these problems much greater.

SF's proposal for a defensive defense will be totally destructive to our ability to defend Danish territory. It will be a defense without credibility, without sufficient endurance--and without the possibility of receiving reinforcements from allied countries. Within the unit command structure Denmark will be an unreliable partner in cooperation. We will not even in peacetime have the ability to maintain our sovereignty and we will not receive the necessary warning which is a condition for readiness, including mobilization.

If Denmark withdraws from the NATO nuclear planning group--as SF recommends--it will be the same as turning our backs on the strategy that countries in the alliance have approved in common and which for more than 30 years has guaranteed peace and freedom in our part of the world. At the same time it is a step which definitely does not serve Danish security interests. But it will be the beginning of the process which will take Denmark entirely out of the alliance.

Social Democrat politicians often emphasize that they see no alternative to Danish NATO membership. We others totally agree with that. But we must not overlook the fact that membership in the alliance is built on a number of concrete conditions which cannot be eliminated without disturbing our participation in the alliance. Membership in an alliance whose strategy we disagree with, whose military buildup we fight, whose development we oppose, lacks real content. Therefore we must say a definite no to SF and VS [Left Socialist Party]. They do not conceal the fact that their goal is final withdrawal of cooperation, but their viewpoint is that as long as that does not succeed they can use the time to destroy the cooperation from within, annoy the alliance partners and obstruct all common decisions. That is the same as acting as a Trojan horse with a policy which will turn Denmark into a completely unreliable alliance partner and quickly distance us from the other member countries. With such a policy, SDP will become the hostage of SF's long time political goal, and thereby act in complete disagreement with the party's declared policy of today.

SF's defense and security policy is also a good expression of the lack of a sense of reality which stamps parts of the debate in this area. As a free and independent country, Denmark naturally has the right to make its own judgments and express them. But Danish defense and security policy can not now be perceived as something in complete isolation and independent of others. We cannot change our geographic location. We have an established point of departure as it concerns the military threat aimed at Danish territory. We do not care much for nuclear weapons, but we cannot eliminate something which has been invented. We can wish for a more open and direct dialogue between East and West, but we cannot overlook the fundamental differences which stamp our social systems. And a number of other factors which cannot just be ignored when discussing Danish defense policy.

At the conclusion of SF's national congress the party's security policy spokesman, Jens Thoft said the following: "Our dream is that the Social Democrats have made their last compromise with the nonsocialists. The current compromise runs out next year, and we will be there. At the same time we have eliminated one of the last obstacles to government cooperation with SDP. From now on the responsibility is social democracy's."

For once I can partly agree with Thoft: The responsibility is SDP's. It is SDP which has the responsibility for ensuring that SF and VS do not get decisive influence on Danish foreign and security policy. It is SDP which must clearly and positively demonstrate that SF's defense policy program will never become the basis for a government which desires a credible Danish defense policy. We wait in suspense.

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RADICAL LIBERAL CHIEF DOUBTS SDP, SF COULD HANDLE ECONOMY

Copenhagen BERLINGSKE TIDENDE in Danish 4 May 86 p 7

[Article by Thorkild Dahl: "Niels Helveg: S and SF Must Begin Negotiations Now"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The radical leader questions whether the refusal of the Social Democrats [S] to negotiate a labor majority policy with the Socialist People's Party [SF] until after the Folketing election "is fair to the voters." Niels Helveg Petersen believes that SF's economic promises cannot be afforded.

"The Social Democrats must enter discussions with SF about a policy for a labor majority. SF has made economic promises which will put internal pressure on an S-SF coalition, because there is no basis for the promises. We must know who will be the main beneficiaries of the SF promises."

This was said by Radical Liberal Party [RV] leader Nils Helveg Petersen to BERLINGSKE on Sunday, and he added that SF has said that it would compromise on NATO and the EC, but "what about that more brutal subject, public expenditures?"

"If the idea of a labor majority is to be taken seriously, SF cannot lie back comfortably in its hammock on these issues, which will be decisive for whether an eventual government cooperation can last longer than the 13-14 months that was the norm on the two previous occasions when S and SF had a majority together," said Niels Helveg Petersen.

The radical leader believes that it is refreshing to observe SF, as it approaches political responsibility, discover that political reality requires compromise and negotiation.

"One can reproach SF because that realization has come so late, and one can deplore that the party, for so many years, has won rising voter support by unrealistic agitation without consideration of political reality," said Niels Helveg Petersen.

The leader of the Radical Liberal Party said that the leader of SF, Gert Petersen, in certain areas is slowly and with difficulty swinging one leg over the edge of the hammock and trying to reach the ground, but in economic policy and especially the policy for public expenditures there is no movement at all.

"The more SF busies itself with political reality the more rapidly they will learn that they cannot afford to carry out all the promises for social and income improvement," said Niels Helveg Petersen.

The radical leader believes it is too late for discussions after a Folketing election, as S insists, and Niels Helveg Petersen said that SF has an "obvious right" to demand discussions with S now, because "is it fair to the voters to wait until after a Folketing election?"

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POLITICAL DENMARK

POLL INDICATES SDP, SOCIALIST PEOPLE'S PARTY LACK STRENGTH

Copenhagen BERLINGSKE TIDENDE in Danish 4 May 86 p 10

[Article by Thorkild Dahl: "S and SF Lack the Strength to Gain Control of the Government"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] If a Folketing election were held today only seven parties would win seats, and that is the smallest number since 1971. While the Radical Liberal Party [RV] and the Progressive Party [FKP] gained strength in the January 1984 election, both the Christian People's Party [KRF] and the Left Socialist Party [VS] are below the minimum limit.

The Social Democrat Party [S] and the Socialist People's Party [SF] still do not have the voter support for the creation of the red cabinet which the SF delegates advocated at their congress, and which leading Social Democrats in their May Day speeches presented as the political alternative to the Poul Schluter [Conservative] government.

In numbers of seats, both S and SF are strengthened in comparison with the Folketing election in January 1984, but at the same time the internal clash in VS over their position on a labor majority brought the party close to splitting up, and the voters put the party below the minimum limit.

If the election were held now a red cabinet would get 46.1 percent of the votes, according to a Gallup poll. That would give S and SF 86 seats, and the Poul Schluter government would have not only the support of RV but also that of the strengthened FKP in order to win a majority in the Folketing.

Since the Rio Bravo economic compromise in the fall of 1983 between the government parties, FKP and RV, FKP has been sent out into the political cold, but in the debate about an advertising-financed TV-2 channel the party has assumed that it will be in a key position for the voting in the Folketing, and that the voters are about to give the party the same position in the political picture after an election. According to the Gallup poll, FKP for the second month in a row is again in the Folketing after several months of being below the minimum limit. Now its strength is greater than at the time of the election in January 1984.

In the government bloc, only the Conservative Party [KFP] has greater voter strength than at the time of the election, and for the second month in a row the KRF is under the minimum limit. The just-completed KRF congress showed that it is not only MP Arne Bjerregaard who is critical of the party's inability to carry out greater social compensations in connection with the government's Easter package. Many delegates asked the direct question whether KRF would not be better off outside the four-party government.

The Radical Liberals [RV] gained for the first time in several months, and according to the Gallup poll they have, after a downturn in connection with the economic interventions, won back their strength from the election.

According to the Gallup poll a Folketing election now would produce seats for 7 of the 15 legitimate parties. Thereby the Folketing would have the smallest number of parties since the election in September of 1971.

Distribution of seats:

Social Democrats	58	56
Radical Liberals	10	10
Conservatives	45	42
Socialist People's Party	28	21
Center Democrats	6	8
Christian People's Party	0	5
Liberal Party	21	22
Left Socialist Party	0	5
Progressive Party	7	6

Party	10.jan. 1984 pct.	dec. 1985 pct.	jan. 1986 pct.	febr. 1986 pct.	marts 1986 pct.	april 1986 pct.
Social Democrat	31.6	32.5	30.1	29.6	31.7	31.1
Radical Liberal	5.5	4.2	4.0	4.8	3.4	5.5
Conservative	23.4	24.0	26.4	27.0	25.9	24.3
Single-Tax	1.5	–	–	–	–	–
Socialist People's	11.5	15.1	14.6	13.6	15.6	15.0
The Greens	.	2.3	–	–	–	–
Humanist	.	–	–	–	–	–
Intersocialist Labor	0.1	–	–	–	–	–
Communist	0.7	–	–	–	–	–
Marxist-Leninist	0.0	–	–	–	–	–
Center Democrat	4.6	2.7	2.6	4.1	3.0	3.5
Christian People's	2.7	2.1	2.1	2.1	–	–
Liberal	12.1	11.9	13.2	12.3	12.3	11.2
Left Socialist	2.7	2.6	–	2.1	–	–
Progressive	3.6	–	–	–	2.5	3.7
Others (with less than 2%)	.	2.6	7.0	4.4	5.6	5.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

Caption: Political Index. Polling period 5-28 April 1986.

Question: Which party would you vote for if the Folketing election were tomorrow?

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NURSES UNION REMAINS IN UPROAR OVER COMMUNIST CANDIDATE

Copenhagen BERLINGSKE TIDENDE in Danish 2 May 86 Sect III p 5

[Article by Thomas Larsen: "Nurses Strongly Divided Over Danish Communist Party Member"]

[Text] The signing of petitions and strong debates mark the campaign for the post of vice chairman on the Danish Nurses Council.

The battle for the position of vice chairman of the Danish Nurses Council is in full swing now in anticipation of the group holding its convention in May: Many nurses are afraid that candidate Inger Rasmussen of the Danish Communist Party [DKP] will inject DKP's politics into the neutral association. Inger Rasmussen's candidacy is seen as a step in the communists' infiltration of the Danish Nurses Council. The nurses at the National Hospital accuse members of DKP of pursuing politics instead of professional work: "More time is spent voting on statements concerning peace and disarmament, nuclear-free zones and other things which have nothing to do with our profession," state Bente Livo and Vita Buhl of the National Hospital in Copenhagen.

The two nurses sat on the county board of directors and "discovered that it was less professional policies than other political issues which were of primary concern."

On the other hand, others assert that DKP cannot compel anyone to violate his or her voting principals or his or her organization's voting laws: "There is talk of serious suspiciousness without any evidence."

At the moment, signature campaigns are under way. And opponents and supporters of Inger Rasmussen are preparing lists for the convention: In the counties in the capital area, 31 elected representatives support the DKP candidate--while 185 members from the National Hospital protest her policies: "The demand for terminating the main contract, opposition to the Common Market, overt or covert support for destructive work-stoppages, activities aimed at overthrowing the government. We do not agree with this type of 'rejuvenation,'" is the statement in the opponents' protest letter. In support of Inger Rasmussen, however, the 30 representatives from the capital area counties find it to be "unreasonable to focus on political party affiliations over and above discussing positions regarding the policies of the profession."

Signature campaigns are taking place in other parts of the country as well. It looks like a difficult convention for the Danish Nurses Council.

12578
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BRIEFS

PROTEST TO EL SALVADOR--A number of members of Parliament from the Social Democratic Party, the Socialist People's Party, the Liberals, the Radical Liberals and the Left Socialist Party have signed a letter to El Salvador's president Jose Napoleon Duarte protesting the attacks against civilians. The letter is being written on the occasion of Salvadorean Women's "Mothers Day" on 10 May. The women will demonstrate on that day against the Duarte government's violations of human rights. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 1 May 86 p 16] 12578

CSO: 3613/116

POLITICAL DENMARK-GREENLAND

PAPER URGES HOME RULE GOVERNMENT CAUTION IN ASSUMING TASKS

Godthaab GRONLANDSPOSTEN in Danish 9 Apr 86 p 10

[Editorial: "Over-Enthusiastic Development"]

[Text] More and more people gradually are becoming worried about the home rule government's over-enthusiastic tempo in taking over new areas of endeavors. Things seemingly cannot go fast enough. The take over of new areas has become a matter of prestige. Four months now have passed since the remainder of KGH was turned over to home rule and in seven months, it will be the housing area's turn to be taken over. But GTO also already is in the looking glass and there is the desire to take it over as soon as possible.

It has become an absolute sport to take over new areas and it is absolutely not healthy for the country's economy. The Siumut Party's own supporters also have discovered this. In the current issue of AG, two Siumuts--KANUKOKA'S leader Anders Kielsen and AG's most diligent writer of letters to the editor, janitor Samuel Hard--independently of each other have stated that the haste has become too great.

"I believe that we cannot afford to force the trend as much as is now happening. Today, Greenland receives the necessary resources from taxpayers in Denmark and not from productivity," writes Samuel Hard in a letter to the editor written in the Greenland language.

"Greenland's economy functions on the basis of block grants from Denmark. We have just overtaken a big and demanding area and a lot of money has been used for preparing the productivity machinery. But before we can see the results of this, it is not smart to overtake a new and money-demanding area," KANUKOKA's leader Anders Kielsen told AG.

The two Siumuts are not alone in their beliefs in this regard. It gradually has become a fact that the home rule government's overtaking of new areas is being forced in spite of the country's weak economic situation, which is caused by the uncertainty surrounding the development of oil and mineral raw materials along with the declining cod fishing industry.

Samuel Hard recommends improved planning with regard to the country's economy. And why not do that? We live in a time of conferences but we have not yet decided to have a conference for the planning of the country's economy in relation to the home rule government's take over of new areas. A five-year plan absolutely would be in order.

Many are worried that the takeovers are occurring with Danish taxpayers' money as an economic security net. The proper way is through self-financing of the overtaken areas.

12578
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POLITICAL NORWAY

NEW FOREIGN MINISTER FRYDENLUND GIVES VIEWS ON U.S., EC

Oslo AFTENPOSTEN in Norwegian 10 May 86 p 7

[Article by Bjorn Talen: "Portrait of Knut Frydenlund"]

[Text] "It was very kind of the newly-appointed minister to see a representative of the opposition press at such short notice," we said. "That is one of the duties that go along with the job," smiled Knut Frydenlund, well-aware that we know that he is one of the most open people in Norwegian politics and very friendly in his dealings with the press. A good-natured and congenial personality, one has to admit. It is even possible to suspect him of being a little concerned about being liked by other people. And that may be why he is sometimes accused of not standing on the barricades and fighting for his standpoint in the Labor Party's continuous security policy dispute. Of course he may have another view of the matter himself, but he prefers to save his heavy artillery for another occasion.

For 8 years Knut Frydenlund survived the changes in the Bratteli, Nordli and Harlem Brundtland governments. This cannot simply be put down to adaptability/opportunism/lack of leadership ambitions (take your pick). There must also have been some ability and political talent there too. On this basis and on the basis of Frydenlund's undeniable charm, humor and elegant folksiness, some people think he could have been a very popular prime minister. We asked if that would have been more fun than stepping in as foreign minister again.

"We have a saying in the Labor Party that we take the jobs the party gives us, but that particular job is not one I ever aspired to nor am I suited for it. It is just too hard. One needs a physical and mental strength of the kind exhibited by the new prime minister."

Frydenlund said his feelings on the matter were best expressed before the 1981 election, the time when he had the goats Egon and Garibaldi, who received a lot of humorous attention in the press. When asked about his ambitions with regard to becoming prime minister at an election meeting in Oslo, he replied: "I would rather have two goats in the back yard than an ambition to become prime minister."

A lot has happened in the world since Frydenlund first became foreign minister. Among other things Henry Kissinger's name is no longer in the spotlight in the United States. This has led Frydenlund to become more self-sufficient and to learn to knot his own tie.

"I miss Kissinger and I think it is strange that the present administration could not find any use for him. The conservatives around President Reagan feel that this pragmatic politician is 'soft on communism,' but he is tough enough. I will use the first opportunity that comes up to see him again," Frydenlund said.

What are President Reagan's strongest and weakest sides?

"I have just taken on a job that calls for restraint when it comes to judging the heads of state of other countries. But I must say that President Reagan has a fascinating working style with its famous 'teflon effect.' When it comes to the American administration's long-term policy toward the Soviet Union, however, I miss the balance there used to be in the combination of military strength and the realization of how important it is to arrive at solutions to the underlying political problems through negotiations and a policy of detente.

"But there is a possibility that agreement can be reached with the Soviet Union and in that case President Reagan will be the one capable of gaining approval for it, even from conservative forces in the United States."

Frydenlund also said that Gorbachev should not be underestimated. He is a hard man but he makes a gentle impression and moves more surely across the international stage than his predecessors did. The Soviet Union needs detente in order to solve its precarious economic problems and here the West has a chance that could prove to be vital. "I have no illusions about the intentions of the Soviet Union, but unless the United States follows suit, Gorbachev will have a 'European card' in his hand again," said the foreign minister.

We asked about our own unplayed European card--namely the possibility that Norway will join EC.

"In this particular period, EC membership is not on the agenda."

After that obligatory remark, Frydenlund stressed the interesting phenomenon that the Europeanization of Europe is occurring at the same time as an Americanization of the United States is taking place. "It is natural that Norway is included in this Europeanization process. It is symptomatic that the negative side of the left wing is more concerned with this trend than the old positive side," he said.

When Frydenlund came on TV the last time he was foreign minister, he always appeared wearing a very worried expression and responsibility weighed down the corners of his mouth and eyes. This might have led some people to think that the minister only thinks about the serious side of life. But in political circles he is known for his warm sense of humor and few foreign ministers have been less pompous. There are many good Frydenlund stories in circulation, but perhaps the best comes from Odvar Nordli, who tells of the time the two of them were scheduled to greet the Vietnamese prime minister.

Nordli consulted the expert on diplomatic custom and was told that he should kiss his guest on the cheeks. The prime minister did not like the idea and said that if he had been misinformed it would be Frydenlund's last official act.

At Fornebu, however, it became clear that the guest was expecting this form of salutation, but unfortunately he only came up to Nordli's waist. Then the foreign minister murmured: "Grab him under the arms and pick him up, Odvar."

When the Labor Party was waiting impatiently for the government to resign last Tuesday, Knut Frydenlund was one of those who issued a warning. Now he has decided that the majority could be right after all:

"My reasoning was that the Conservatives would be able to pick the most favorable moment to topple a Labor government because the three nonsocialist parties were leaving the government arm in arm. Therefore it would be better to wait until the internal conflicts in the coalition had run their course. But the dynamics of the process seem to have made my original assumption obsolete.

"The picture of Willoch as he went to the king with his resignation was one of despondency. A similar mood could not be detected among the middle party representatives in Storting. Apparently it suited them quite well to have a break occur without being blamed for it by their voters. That means it is no longer up to the Conservatives to decide if and when the Labor government should be turned out of office and it could stay in power for a long time. The middle parties will probably make use of their freedom as long as they can and the Conservatives will have to pay a much higher price next time for their cooperation," Frydenlund said.

What are the best and worst things the nonsocialist government has done?

"Astrid Gjertsen managed to create the impression that she welcomed openness and debureaucratization. We could talk until we were blue in the face about the fact that openness means more than store opening hours, but the Conservatives scored a point here. On the minus side were the market speculation economy and the creation of greater inequality. That was a plus for us in the election campaign. The Willoch government has also pursued a foreign policy that has divided Storting on important points and that, significantly enough, received its most solid support from the Progressive Party. It will be an important task for us to ensure a broader agreement on foreign policy."

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PARTIES' LEADERS PRAISE, ATTACK NATO 'FOOTNOTE' DECISION

Willoch Claims 'Poorly Handled'

Oslo AFTENPOSTEN in Norwegian 23 May 86 p 8

[Article by Thorleif Andreassen]

[Text] Kåre Willoch is far from happy about Defense Minister Johan Jørgen Holst's conduct in connection with the final communique from the NATO meeting of defense ministers. "As far as I can see, this Norwegian footnote, i.e., the Norwegian statement on disagreement within NATO, was superfluous. It indicates poor diplomatic handling on the part of the new defense minister. Such things have, of course, never before happened from the Norwegian side," the chairman of the Foreign Policy Committee of the Storting tells AFTENPOSTEN.

Kåre Willoch says that the United States has long ago stated that it agrees that the current accords on limitation of anti-nuclear missile defense weapons--the so-called ABM agreement-- will have to be observed, and that there will be no question of testing and deployment of any new wapons of this kind without prior negotiations with the Soviet Union.

Unwise

"In this situation, it was unwise to create controversy externally on the very communique. The split which has now been stressed after the meeting of defense ministers, will cause satisfaction in the Soviet Union, which will view it as supporting endeavors to make greater counterdemands against NATO's disarmament proposals. It is quite incredible that the new defense minister can believe that such Norwegian emphasis of a split within NATO will not weaken the unity within the NATO alliance," the chairman of the Defense Committee points out, adding:

"Unfortunately, that is exactly what it does. And that is why it is also in conflict with our own interests."

Christian People's Party: Reaching NATO

The parliamentary leader of the Christian People's Party, Harald Synnes, pointed out to AFTENPOSTEN before the final communique became available yesterday: "It is important for our viewpoints to reach NATO. There is a clearly critical position within the Storting on the consequences of space arms research and new chemical weapons. This position will have to be known both in the East and the West."

Harald Synnes stresses the importance of expressing this position in an effective manner. "As far as the footnote controversy is concerned, it is necessary for viewpoints on which there is broad agreement within the Storting not to vanish in closed forums. For, in that case, they will not have any possibility of having an effect on public opinion. At the same time, it is important that our constructive membership of the NATO alliance be stressed," Synnes says.

Socialist Left Party Gratified

The leader of the Socialist Left Party, Theo Koritzinsky, does not conceal the fact that the Socialist Left Party is gratified that Norway, in a written statement, has marked its opposition to the space arms program of the United States.

"This standpoint is supported by the clear majority of the Storting. This statement of opposition will have to be followed up in the NATO meeting of foreign ministers to be held next week."

Chemical Weapons

Koritzinsky says that his party demands that Norway, at the said meeting, state its opposition to the new chemical weapons armament plans of the United States. "The opposition within the U.S. Congress to these plans has asked for West European protests within NATO. Norway will have to provide that support," the leader of the Socialist Left Party says.

Center Democrats: Cause for Reflection

The parliamentary leader of the Center Democrats, Johan Buttedahl, tells AFTENPOSTEN that this is a development which gives occasion for reflection in many respects.

"First, Norway has now advanced clear criticism within bodies of NATO on central issues, this time on space arms. Second, several countries join together in this criticism. That proves that European skepticism toward the United States is increasing and may be interpreted as a growing "movement" of the joint European position.

Buttedahl says that this latter phenomenon will necessarily lead to internal discussions within NATO because the said movement may in time increase in extent.

"An indication of the Norwegian viewpoint will thus not automatically receive the stamp of a footnote--and thus not, all of a sudden, that negative connotation. But the term footnote country is in the Norwegian meaning a negative expression in the NATO context," Johan Buttedahl concludes by saying.

Progressive Party Dismayed

Bjørn Erling Ytterhorn, member of the Storting of the Progressive Party, says that he is dismayed at the fact that the Norwegian government in writing has made reservations against the NATO communique.

"I will therefore next Friday present a proposal, requesting the Storting to express its regret of the defense minister's footnote in the communique," Ytterhorn says.

Progressives Push No-Confidence Motion

Oslo AFTENPOSTEN in Norwegian 24 May 86 p 9

[Article by Thorleif Andreassen]

[Text] The Progressive Party has presented the Storting with a motion of no confidence against Defense Minister Johan Jørgen Holst. The background is the Norwegian footnote in the communique from the NATO meeting of defense ministers. The chairman of the Foreign Policy Committee, Kåre Willoch, tells AFTENPOSTEN that he intends to discuss the question of the no-confidence motion thoroughly with the former government parties before taking a final position on the matter. It is widely held that Holst will have to account for the events at the NATO meeting.

It was Bjørn Erling Ytterhorn, M.P., who, on behalf of the Progressive Party, yesterday submitted the no-confidence motion to the presidents of the Storting. There is much to indicate that the matter will initially be discussed in the Foreign Policy Committee of the Storting.

Change of Course

In a conversation with AFTENPOSTEN, Ytterhorn points out that the events at the meeting of defense ministers are a confirmation of the fact that the new government represents a change of course in security policy matters. "It will carry on the incessant attacks on the United States of the Left," says Bjørm Erling Ytterhorn.

Infighting

Kåre Willoch expexts the matter to be submitted to the Foreign Policy Committee, which will then be given the opportunity to review the circumstances of what he describes as a startling step on the part of the government.

"Making Norway a 'footnote' country within NATO and starting Førde's infighting within the alliance, gives rise to serious concerns," the chairman of the

Foreign Policy Committee says, adding that he will discuss the matter thoroughly with the former government parties before making any definitive statements on the issue.

Christian People's Party--No

The parliamentary leader of the Christian People's Party, Harald Synnes, makes it clear that it will not be topical for his party to vote for the no-confidence motion. "That does not mean that we simply accept what happened. We ask whether the Norwegian handling of the space arms program could have taken place in a different manner. If we advance massive criticism, we shall also have to indicate alternative ways of procedure," says Synnes, who finds reason to deplore the fact that the efforts which were made on the part of Norway to arrange a joint communique did not reach NATO."

Center Party Waiting

The parliamentary leader of the Center Party, Johan Buttedahl, does not want to take a position on this issue now. He expects the minister of defense to inform the Storting of what happened.

Gro Harlem Brundtland Replies

Oslo AFTENPOSTEN in Norwegian 27 May 86 p 2

[Op Ed Article by Prime Minister Gro Harlem Brundtland]

[Text] In its editorial "Infighting within NATO," the paper gives an incorrect account of the actual situation. The government has solid support in the Storting for the position which was presented at the NATO meeting in Brussels.

Concern

The point of departure of AFTENPOSTEN is that, through its footnote, Norway "has dissociated itself from the statement on the U.S. Strategic Defense Initiative (SDI) previously approved by the majority of the Storting." On this point, AFTENPOSTEN is mistaken. There has been no such approval.

On the contrary, there has been concern for quite some time within the Storting at the handling on the part of the former government of the issues in connection with the American space arms program.

This has, in particular, been the case, as far as the discussions within the meetings of defense ministers are concerned, which got onto the entirely wrong track from the very start. The problems are illustrated best of all in the alarm caused in March of 1985 when Defense Minister Sjaastad participated in the preparation of statements clearly supporting SDI and had to explain himself to the Storting immediately after his return from Luxembourg.

Broad Support

The "approval" referred to by AFTENPOSTEN, moreover, clearly contrasts with the support given the government in the consultations with the various bodies of the Storting last week prior to Defense Minister Holst's departure for Brussels.

There was broad support for the position of the Norwegian government that our reservations with regard to the space arms program would have to be more clearly expressed, and that the existing wording on this point was not acceptable to Norway.

It is therefore established that there is no basis either for the claim made by AFTENPOSTEN that the things which happened were "entirely superfluous."

However, I agree entirely that a Norwegian reservation ought to be superfluous.

No Cooperation

That, unfortunately, did not become the case because no willingness at all was shown for cooperation on constructive solutions.

The desire from the Norwegian side to adopt NATO formulations used in the communiques of the foreign ministers was flatly refused.

In our government declaration, we emphasized that the Norwegian security policy will be based on the joint report on security and disarmament, rep.ser.no. 225, 1983/84. We received broad support in this respect in the debate on the declaration by the government.

The Labor Party has now seen to it that the policy pursued by the Norwegian government within NATO will conform with the positions of the majority within the Storting, as they, moreover, were expressed in the discussions on the report on the space arms issue last year.

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CONSERVATIVE PAPER, GRO HARLEM BRUNDTLAND ON NEW CABINET

Foreign Policy Change Foreseen

Oslo AFTENPOSTEN in Norwegian 10 May 86 p 2

[Editorial: "New Government, New Demands"]

[Text] We cannot and will not welcome Gro Harlem Brundtland's new government. But let there be no doubt that it will have a chance to demonstrate its intentions--and its capabilities. The parliamentary situation limits the Labor Party's freedom of action in the government position. But the majority opposition is divided into four parties, all with their own need to define themselves, which gives the government's many talented political craftsmen considerable leeway.

The list of cabinet ministers contains several new and unfamiliar names. But most of Mrs Harlem Brundtland's cabinet members have a lot of parliamentary experience behind them. It is not a new experience for some of them to sit in a government that is not based on a Storting majority. However the shrinking oil revenues make new demands on restraint and political consistency compared with the last time the Labor Party stood at the helm. A man like Gunnar Berge will quickly discover that being the finance minister is not the same as being the factional speaker on fiscal policy in Storting.

The new social affairs minister, Tove Strand Gerhardsen, is one of the relatively few ministers coming in "from the outside." We wonder if she will bring in new ideas when she tries to clean up the scandal the opposition Labor Party has been calling Norway's health and social policies for the last 5 years. Many people will also be paying close attention to Cultural Affairs Minister Hallvard Bakke's shaping of media policy.

Yesterday Norway acquired a government that is well-equipped when it comes to political experience. With few exceptions the cabinet ministers are familiar with the political labyrinth from the inside. But the political course set by the prime minister and the party apparatus is more important than individual personalities. Unless the government deliberately seeks confrontations, it has every chance of remaining in office for a long time to come. So far all signs indicate that the head of the government intends to stay in power.

So far she has not moved beyond the slogan stage. Consequently it is impossible to have any idea what the power shift will mean in terms of practical policy. It remains to be seen what the talk about a new flexibility in district policy, letting the biggest burdens fall to those with the most advantages and a fairer distribution policy will mean in practice.

When it comes to foreign and security policy, however, we note with dismay that the new prime minister believes that "the problem in recent years has been that there was no real majority in this country behind the views endorsed by the government." That is a warning of a future change in our foreign policy course that we ought to be spared. We are afraid that in this way she will confirm that our fears have been justified.

Prime Minister Discusses Views

Oslo AFTENPOSTEN in Norwegian 10 May 86 p 2

[Op Ed Article by Prime Minister Gro Harlem Brundtland: "Willing to Cooperate"]

[Text] In a situation where the country faces the biggest challenges in a long time, the Labor Party has again been asked to form a government. We are going to work with the realization that there is a nonsocialist majority in Storting. This means that we must depend on support from other parties. We intend to stress other values. Our government will pursue a different policy than the one espoused by the nonsocialist government and we want to find unifying solutions.

We are facing a big task, especially in the area of economic policy. Broad reforms are needed in the tax system and the future of social security must be guaranteed in a way that also takes the course of women's lives into account. We intend to stop the development of a divided health system. New flexibility is needed in district policy to change the pattern of demographic movement and ensure regional growth.

Unifying

These are long-range tasks where it would be an advantage to find solutions that can unite a broad political majority. The Labor Party has declared its willingness to contribute to unifying solutions all along. Therefore we will now ask others to work with us on these things.

After the government touched off an election year growth last year with an increase in private consumption that was three times larger than the level the government itself regarded as reasonable, sweeping changes are needed in economic policy. As the nonsocialist government itself warned, the large growth in private consumption last year took place on the basis of borrowed money. These loans must be paid back now. The decline in oil revenues has intensified the problem.

Tackling Imbalance

We think people are prepared to tackle the imbalance that has been allowed to develop in the Norwegian economy as long as the burdens are distributed fairly. We must all give our fair share. But those who have received the biggest advantages in recent years must now take on the biggest burdens.

Although it was distribution policy that led the nonsocialist government to throw in its hand, we think it is possible to gather a Storting majority behind a new and fairer distribution policy.

Nonsocialists

Last year's election produced a new parliamentary situation. The three government parties lost their majority but the two Progressive Party representatives ensured a continued nonsocialist majority. On that basis the three-party coalition decided to continue without arriving at any clarification of its parliamentary base.

When the government decided to step down it was necessary to use correct constitutional forms to clarify the parliamentary situation and the basis for a new government. In the clarification that took place on Friday it became clear that the nonsocialist parties were unable to form a new government. Therefore the job had to be turned over to the Labor Party as the biggest opposition party.

New Work Form

The reason why the nonsocialist parties did not carry out the necessary clarification of the government's base last fall is obvious. The middle parties made strong statements and opposed any approach to the Progressive Party, while the Conservatives wanted to use Hagen & Company to shift political solutions to the right.

The result was an entirely new type of work form in Storting. Instead of seeking majority solutions through committee work, recommendations were made without the government being sure that it could find a majority to support the measures it approved of. Then there were crisis solutions with negotiations among parliamentary leaders.

Threats and Coercion

Instead of trying to find political solutions that could unite a real majority the government relied on threats and coercion. That is a style that inevitably leads to a crisis for a government without a majority. Either one must show a willingness to find solutions with the parties that represent the government's parliamentary base or one must seek solutions with the opposition.

In both cases one must pursue a policy backed by a real majority. Joint responsibility also requires joint influence.

Security Policy

We would like to base security policy on this kind of working style too. The viewpoints Norway presents in international forums must have a real Storting majority behind them.

We intend to base our foreign and security policy on Storting Report No 225 on security and arms control. This report provides a clear guideline for all future applications.

There is no foundation for AFTENPOSTEN's fantastic description of dramatic changes in foreign and security policy. The problem in recent years has been that there was no real majority in this country behind the views the government presented to the outside world. This created problems in Storting time after time and the government has had to rely on threats and coercion in this area too in order to avoid losing a Storting vote.

Devaluation Destroys Credibility

Oslo AFTENPOSTEN in Norwegian 12 May 86 p 2

[Editorial: "Not Credible"]

[Text] We fully understand the decision to devaluate the Norwegian krone. Time after time we have stressed the need to use all the means available to us to guarantee competitiveness. But yesterday's dramatic action placed the Labor Party's irresponsibility as opposition party in sharp relief. The prime minister's party has expressed nothing but scorn for the repeated emphasis by Kare Willoch and his nonsocialist government on the fact that it is essential to live according to our means.

The devaluation is a glaring revelation of the policy the Labor Party represented just a few days ago. No one can doubt that the devaluation of the krone will strengthen competitiveness in the short term, but it must be seen against the background of the fact that until yesterday the policy of the Labor Party was headed in the opposite direction. We are now waiting with bated breath for the cuts that have been announced in connection with the revised national budget. But we are afraid that for the most part we will have tax increases and steps against what is called a speculative economy that will have the opposite effect. The kind of tax increases the government has announced will be meaningless in the present situation. The increases will throttle initiative and investment and thus weaken the growth capacity that is decisive in bringing Norway out of its economic crisis.

The prime minister may very well justify the devaluation and the new austerity measures by saying that the situation turned out to be more serious than she had anticipated. But the rest of us know that it is better than it would have been if the Labor Party had set our economic course after last fall's election. As late as 2 weeks ago the Labor Party caused a government crisis by blocking the Willoch government's first modest proposal for economic austerity. And during the last budget debate in Storting the party did what it could to further weaken our competitiveness.

The psychological effects of the government change could be observed even before the new cabinet ministers assumed control over their ministries. The pressure on the Norwegian krone has been having an effect for a long time. Expectations of a devaluation were strengthened by this year's wage settlements which even in the initial phase exceeded the limits that could have prevented devaluation--although this fact did not bother the opposition at all.

Central Bank chief Hermod Skanland is certainly correct in assuming that we can count on international understanding. In the kind of situation we now have a devaluation is almost the only natural way to ensure competitiveness. But it should be pointed out that the outgoing government found it impossible to get the opposition Labor Party to go along with the necessary austerity measures. The Labor Party consistently backed new spending increases, while flatly rejecting all measures aimed at stimulating the economy. Before the Labor Party came to power with the help of Carl I. Hagen, it had pursued a policy that can only be described as irresponsibile to the highest degree.

In other words the Labor Party has a shady immediate past that gives us no reason to believe that it will be capable in the government position of pursuing the combined austerity and stimulation policy that is necessary if an essential devaluation is to serve the country's best interests in the long run. A complete turnaround in this area is just not credible.

Conservative Chairman on Devaluation

Oslo AFTENPOSTEN in Norwegian 13 May 86 p 2

[Text] "If the Willoch government's austerity package had been approved, a devaluation of the krone would not have been necessary. But Storting demonstrated to the entire world that Norway would not tighten its belt sufficiently--and preferred a Labor Party government instead," said Conservative chairman Rolf Presthus in Trondheim on Monday.

"Since previous Labor governments have used big adjustments of the krone as economic tools, foreigners began speculating that the new government would resort to a big devaluation this time too," said Storting representative Rolf Presthus in a meeting with the press. He added: "The Labor Party's own actions made the devaluation necessary."

The former finance minister said that a 12-percent devaluation of the Norwegian krone is too much. He also said that if the devaluation is not followed by other austerity measures, we will not have the intended positive impact--and the result will be higher prices and higher wage demands.

"Devaluing the krone by 12 percent is like performing an operation by cutting open the patient's chest and then failing to do any further work on him," the Conservative chairman continued. "If the operation is to be successful the devaluation must be followed quickly by stringent austerity measures such as reductions in public spending and restraints on private consumption. The government has not made plans for measures like this nor have they been cleared with Storting," said Rolf Presthus.

"In other words," the Conservative chairman said, "unless other steps are taken immediately to strengthen the Norwegian economy, the devaluation in itself will not have any effect."

Industrial Problems Ahead

Oslo AFTENPOSTEN in Norwegian 10 May 86 p 5

[Commentary by Kjell Aaserud: "Old Industrial Sins Coming Back to Haunt Labor Government"]

[Text] When the Conservative government took office it had to deal with one problem after another. Several, but not all, were already well-known. One was Tofte Cellulose, which was christened if not conceived by a Labor government. Without state support it would never have been born. The bill was delivered to the desk of Industrial Affairs Minister Jens-Hallvard Bratz. The state had to hand over almost a billion kroner.

Bratz and his successors, Jan P. Syse and Petter Thomassen, had to cope with a great many industrial problems. One could almost say that some cases will never end. Names like Sydvaranger and Norsk Jernverk have come up--and have received funds--year after year, but their problems appear to be endless. They had to be dealt with by Labor governments, then by Conservative and coalition governments--and now they are back in the hands of a Labor government again. It will do little good to fan the discussion of Sydvaranger back to life. It is harder to pour millions out of the state treasury today than it was in the days of counter-cyclical policy. For this reason it is possible that the discussion of the affairs of the Kirkenes firm will die down.

Fight over Spiger Plant?

But this is unlikely in the case of the state-operated Norsk Jernverk. The big question is whether a Labor government will be able to withstand the pressure it will undoubtedly be exposed to from the Spiger plant, which is now part of Jernverk. The Spiger plant has been self-supporting all along. Despite its problems the firm and its employees have pulled themselves together time after time and managed to straighten things out. It might be correct from a strategic point of view to close down the Spiger plant due to the overproduction of steel reinforcement rods, but it will not be easy. This is understandable in view of the fact that the Spiger plant is the best unit in the Jernverk concern, it is located near the market and has access to a vital component--scrap iron.

Old Sins

Horten Shipyard first became an "issue" under the present government. But the sins were committed earlier. For several years Horten remained quite active in shipbuilding, an activity in which the firm itself had a proprietary involvement. The ships did poorly and the bills had to be paid. The first step was the arrangement of a voluntary accord under which small creditors were indemnified. The state came up with 150 million kroner in new funds, 40 million in the form of equity capital and 110 million for debt repayment. Now the firm is insolvent again, but at this time the management has just decided to recommend that the firm continue its shaky operations and finish the jobs it is working on now. With the experience we have had already, there is a risk that this will be very expensive. After the accord was reached, big costly calculating errors have shown up.

Endless Circle

For many years Labor governments have had big problems with the shipbuilding industry. Now the ball is back in the new Labor government's court. A number of shipyards seem to stagger along from one crisis to the next, led at the moment by Trosvik and Horten, which are dragging others along with them. Horten Shipyard owns 62 percent of the Wichman Engine Factory in Bomlo, which is in a precarious position. A search is on for new owners with a better strategy and fresh capital. Finland's Wartsila and the Ulstein group are in the picture. Ulstein is probably interested primarily in order to ease the pressure it is getting from BMV. If Wartsila takes over, it will increase the pressure on Ulstein. Both Ulstein and Wartsila are demanding the cancellation of a debt Wichman owes to the Industrial Fund, a loan the fund was ordered to make by an earlier Labor government. The circle is endless.

Working conditions in the mines are becoming increasingly difficult. One of these mines is Sulitjelma, which will probably be empty within a few years. However the new industrial affairs minister will immediately have another state firm on his hands, Finotro in Finnmark. Funds are low and the firm's management wants an influx of new capital. Over a 2-year period deficits have drained off 20 million kroner.

Industrial Sector Strengthened

The outgoing government can pride itself on the fact that its industrial policy has been successful. There has been industrial growth for 3 years (with a good boost from the economy), increased investment and the establishment of many new firms, especially in the area of high technology. Companies have had higher earnings and equity capital has been increased. This has increased optimism.

But the outgoing government may have made its biggest impression by checking the infusion of capital into unstable enterprises that can't seem to get out of the economic quagmire regardless of help (as in the case of Horten Shipyard, among others).

There has been criticism of the fact that not enough money has been invested in research. One of the reasons for that is the lack of researchers. In a cooler economic climate of the kind we seem headed for now, more researchers will be available. The new government faces a challenge here.

The new leadership of the Industrial Affairs Ministry will have no shortage of work. Some of the important jobs to be tackled are the reorganization of advisory services, the State Technological Institute and the Inko service, institutions of very great importance for small and medium-size firms. The government must also sharpen its pencil and write a report on Norway's space policy.

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PCE EXCLUDED FROM STRATEGIC DEFENSE PLAN

Madrid YA in Spanish 15 Apr 86 p 13

[Article by Fernando Rueda: "Communists Blame NATO for Not Being Shown PEC"]

[Text] Madrid--The PCE [Spanish Communist Party] feels that the Government's posture excluding it from the list of political parties to which the PEC [Joint Strategic (Defense) Plan] is being shown is owing principally to pressures by the Atlantic Alliance. Jose Luis Buhigas, the party's official on defense issues, stated to YA yesterday that this attitude represents a global strategy on the part of NATO that discriminates against communist parties.

The PCE's annoyance is augmented by its exclusion from a list that does include Augustin Rodriguez Sahagun, spokesman for the CDS [Democratic and Social Center], which is also one of the Mixed Croup, and which has only two deputies--half the number of communist deputies. "This is why it is baseless to argue that the CDS represents the Mixed Group," added Buhigues. "In our view, this attitude on the part of the Government has a significant symbolic value."

Gerardo Iglesias' party points out that previous defense ministers informed it of basic matters pertaining to Spain's defense, as they did with respect to all the parties in the parliamentary spectrum--entirely the contrary of the attitude that has been adopted by Serra.

Reiterating the unacceptability of this kind of action, the PCE asserts its view that this is a punishment by the Socialist Party in retaliation for the PCE open opposition to Spain's membership in the Atlantic Alliance.

Referring to the veiled charge--which could be behind his exclusion from the list of spokesmen who receive information on the PEC--that the PCE might leak the Spanish Defense Plan to our potential enemies, Jose Luis Buhigues is categorical: "Our party has no links of dependency on foreign entities, and it goes without saying that we are not going to pass such information to anyone, because we are a constitutionalist party."

The PCE's opinion as to the content of the Joint Strategic Plan, despite its lack of knowledge of the content, is that it includes some very important clauses which Serra is not disclosing to the spokesmen. "We are not in agreement," adds Buhigues, "on aspects such as that of assigning operational defense of the territory to the Civil Guard in time of war."

To decide on his stance in view of the Executive posture, Enrique Curiel met yesterday with his party's spokesman, Fernando Perez Royo, to obtain all information relative to the case and take the appropriate steps. The official posture on this issue is that the PEC is being explained to the spokesmen of the Parliamentary Groups and that thus it is the turn of Rodriguez Sahagun to be received by Serra, as the spokesman during the current month.

Narcis Serra will conclude his briefings on the PEC today. Last Tuesday he received Catalonian Minority's Miguel Roca and Centrist Group's Luis Ortiz, and today he will receive Basque Minority's Marcos Vizcaya and Mixed Group's Agustin Rodriguez Sahagun.

Initially, the Government had decided to brief only the opposition leader, Manuel Fraga, on the plan on which Spain's defense is based, arguing that its secret nature precluded the briefing of all Groups.

The leader of the reformist movement, Miguel Roca, after being briefed on the PEC, affirmed last Tuesday that "I am very satisfied with the information received from the defense minister," and indicated that, after knowing its content, "I understand that it must be kept secret." Luis Ortiz used similar terms: "There are confidential elements that are industrial secrets more so than military, and yes, there are in fact some deployments of forces that must not be divulged."

9399
CSO: 3548/51

POLITICAL SPAIN

PSOE JUSTIFICATIONS FOR EARLY ELECTIONS GIVEN

Barcelona LA VANGUARDIA in Spanish 22 Apr 86 p 19

[Article by Mariano Guindal and Pedro Conde Zabala; first paragraph is LA VANGUARDIA introduction]

[Text] The members of the PSOE's Federal Executive Committee were split on the issue of whether to complete the legislative term or to advance the date of the general elections. Finally, considering the findings of the voter polls conducted by the Government and, undoubtedly, to avoid complications in the budgetary forecasts for the coming fiscal year, the latter view prevailed.

Madrid (Lid-"La Vanguardia")--During the successive meetings of the PSOE's Executive Committee, in which the question of whether or not to advance the date of the elections was debated, those who advocated doing so argued, first of all, the need to concentrate the pending elections so as to avoid a long electoral process that would lead unavoidably to a paralysis of the Administration for more than a year.

The second important reason for holding early elections, put forward by the economic complement, stressed the need to debate and enact the national general budgets within the time periods required by the Constitution. In this regard, Jose Borrell, secretary of state for finance and one of the top budgetary officials, argued that our budgets are increasingly tied to those of the EEC.

A delay of 3 or 4 months would create major budgetary problems, especially since the drawing up of the Autonomous Community budgets is directly related to that of the national budgets.

Favorable Outlook

The third reason was purely political. The authority to set the election date rests exclusively with the prime minister, to whom the Constitution grants that privilege, while the opposition is empowered to introduce a motion of censure.

The PSOE Executive Committee analyzed meticulously all the opinion polls conducted to date, and in all of them the Socialist Party continues to hold an absolute majority. The loss owing to the referendum on NATO turned out to be small and has had little or no electoral repercussions. At the same time, by synchronizing with the elections in Andalusia, the main Socialist stronghold, positions are strengthened. From an economic standpoint, converging the elections results much cheaper for the party.

During the meetings, the deputy prime minister, Alfonso Guerra, also pointed out that separating the election dates could further weaken the precarious situation of the Right, and in particular that of Popular Coalition, which has been wracked by internal conflicts.

Also to be considered is that the referendum on NATO left no doubt that the only sector in which the Socialists can lose votes is within their left wing; thus, advancing the date of the elections would make it extremely difficult for a progressive platform to be created and presented in terms of a fully debated and sufficiently clear-cut program. This was also the finding of the analysis made by major sectors of the CCOO and of the PCE, which has been urging the Civic Platform to speed up its unification.

'Internal Management'

The reasons propounded by those who favored letting the legislature complete its term were fundamentally political. The most important one was that expounded by the PSOE's official in charge of organization, Guillermo Galeote, who, during the Executive Committee meetings, adduced problems of "internal management."

Manuel Chaves (an executive of the PSOE and UGT) was the official in charge of drafting the election platform, with a maximum deadline of 30 April for delivery of the final draft. Although a first draft already existed as of the middle of this month, it was still very incomplete.

At the final meeting of the Executive Committee yesterday the 14th, Galeote argued that there were still some loose ends to be tied down before the platform could be completed free of possible problem areas. The argument was also made that the available time would be short from the standpoint of compiling the electoral lists, which is always a very delicate operation.

The second major argument for not advancing the election date was the social foment produced by the referendum on NATO, which left wounds among the social segments that traditionally have supported the PSOE--wounds that must be healed taking advantage of the World Soccer Meet and summer vacations. This argument was countered by the findings of the opinion polls and by the argument that the Andalusian parliamentary elections would produce very similar results.

IRPF

Another reason put forth for delaying the elections was the individual income tax [IRPF] issue. It was argued that with the lowering of the tax table for the sectors with less purchasing power, the effect of having to file a tax return would be lessened and could even result positive for the Socialist positions.

And lastly, some lesser arguments were advanced, such as the effects of the economic recovery that is resulting from the drop in oil prices and the dollar exchange rate. Those who favored early elections argued that the psychological effects of the recovery have already been discounted with the containment of inflation in February and March, and the announcement by Solchaga that the gross domestic product growth rate will have to be revised upward from 2.5 percent to 3 percent, enabling the creation of 150,000 new jobs.

The urge to complete the legislative term for the first time since the transition, and the coinciding of the electoral campaign with the World Soccer Cup meet were minor factors in the debate.

9399
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COSTS, SELF-INTEREST STILL PLAGUE FRANCO-GERMAN HELICOPTER

Defense Ministers Meet

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 14 May 86 p 2

[Article by fy: "Will the German-French Helicopter Project Fail?"]

[Text] The joint development and production of a German-French attack helicopter, which was firmly agreed upon by both governments in 1985, have become doubtful in view of persistent differences. This was the outcome of a visit paid to Minister Woerner by new French Defense Minister Giraud on the latter's accession to this office. Giraud proved to be worried about the state of German-French arms cooperation. Giraud tied this in not only with the fact that France is not participating in the joint development of a fighter plane for the 1990's but also with the hitherto not very successful efforts to develop a joint AT helicopter.

Giraud commented critically on the fact that industry so far did not exploit the possibility of cutting costs and of rationalization because it is obviously imagining that both governments are forced to meet its demands. Giraud proposed that the armament directors of both ministries, Chevallier and Schnell, should as soon as possible take this project up once again. If it is impossible to agree on a joint helicopter, it would be better if each side went its separate way and if each side built its own equipment. If one cannot quickly clarify the situation in terms of what is really wanted, then both countries are in danger of spending very much money for a project which neither of them really needs or to invest money for something which in the end cannot be accomplished. Industry should be forced once again to clarify those points on which hitherto deviating concepts have been pursued and in this process it should also touch on cost problems.

Defense Minister Woerner mentioned the tight time frame resulting from the repeated delays. Initially, the intention had been to supply the army with an AT helicopter provided with a night-fighting capability already in 1986 but then the project was postponed to the year 1992 and in the meantime the earliest date mentioned turned out to be 1995. Giraud pleaded for proceeding, in future arms cooperation, in a more pragmatic and unconventional manner than had been the case until now. He noted that he might imagine that France might fall back upon components of the Leopard-II in its tank development work if there was a desire later on to work on a joint German-French battle tank.

Efforts aimed at the joint German-French development of an AT helicopter were stepped up after the change of administration in Bonn in 1983 in order to demonstrate the determination to promote German-French cooperation in the matter of armament and security policy. But difficulties cropped up from the very beginning. While the Germans wanted to develop a helicopter that would be specialized purely in providing defense against tanks, France--for the sake of exports--was interested in developing a more mobile TD and attack helicopter. Another disputed point had to do with the question as to whether one should fall back on an American, already developed and tested night-vision set or, as France had demanded, whether one should ask German and French companies to develop a new piece of equipment so that there would be no restrictions on exports.

The compromise means that both sides want to develop only the helicopter together but that they then want to provide it with different armament. Three versions are planned at this time. A TD and attack helicopter for the French army--and for export; an AT helicopter with second-generation weapons (wire-guided or laser-guided AT rockets); and an AT helicopter with third-generation rockets--which are guided to the target automatically--for the French army.

On the German side, the costs had been set at development expenses of just about DM1 billion and DM3.6 billion for procurement on the basis of a March 1983 industry offer. After a two-time increase, the development costs in the meantime have risen to 1.2 billion and the procurement costs are now DM4 billion; on the basis of data supplied by industry, the Defense Ministry is figuring on an additional cost rise by about 40 percent.

Moreover, there have been repeated delays during development. When the agreements were signed in 1984, it was expected that industry would immediately start with the development of the helicopter in all areas on the basis of a fixed-price contract. But industry was not ready to do that so that the defense ministries were forced to demand that industry supply precise performance and cost data; this leads to considerable delays. Other problems arose during the development of a European night-sight set. In-house it is assumed that the helicopter will have to be equipped with the American set if one does not wish to accept any further delays.

Decision Unlikely Before Fall

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 15 May 86 p 1

[Article by fy: "German-French Helicopter Committee Meets"]

[Text] The decision as to whether the joint German-French attack and AT helicopter project is to be further pursued or whether it is to be abandoned is reported to be due before the summer vacation. That was announced by the Defense Ministry on Wednesday. A corresponding resolution might emerge from the meeting between defense ministers Woerner and Giraud scheduled for June. The German-French steering committee for the helicopter project is to meet in Marignane this Thursday. It consists of the armament directors of both defense ministries, the project and system officers, as well as the pertinent desk officers from the armament divisions. This meeting is a routine session which, to be sure, will have special character because of the conference which in the meantime took place between Giraud and Woerner in Bonn on Monday and in whose course it became clear that the project is in doubt because of cost increases that are difficult to calculate, because of time delays, and due to the absence of any agreement as to the basic concept. The agenda includes the decision as to whether the steering committee--which is competent for all major problems involved in the overall project--will consider a renewed cost increase or a reduction in the performance requirements to be correct.

5058
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RESOLUTION OF EQUIPMENT, MANPOWER PROBLEMS REVIEWED

Bonn TRUPPENPRAXIS in German Jan/Feb 86 pp 33-35

[Article by Walter A. Hamburger: "Latest News from Austria's Defense Establishment"]

[Text] On 24 May 1983, Dr Friedhelm Frischenschlager was sworn in as Austrian defense minister and now, at the halfway point of the legislative period, it is probably worth looking into his achievements and goals in some detail.

Aged 41 and thus the youngest member of cabinet when he assumed office, Frischenschlager noted three weak points in the Austrian defense picture. With enough good will, i.e. with sufficient funds, he thought that these problems could be solved but found that there were three somewhat more contentious issues which would prove more difficult.

The three problems capable of solution concerned interceptors, tanks and the artillery; the three "hot irons" concerned missiles, civilian service and military service for women.

Since the most serious gap in Austria's defense posture is the lack of an air shield, Frischenschlager was intent on doing something about this weakness right away in 1984 and obtained formal government approval for the acquisition of 24 interceptors.

The Austrian armed forces received offers and were negotiating with various foreign suppliers and four foreign governments concerning the purchase of the fighter aircraft. They have now decided on the purchase of 24 Swedish Saab J 35 Oe Drakens. This puts them into a particularly favorable position, since there are plans to switch in the mid-nineties to the Saab JAS 39 which is presently under development. The reason why the Drakens were purchased in the final analysis not only depended on the fact that of the final two aircraft being considered they fitted Austrian concepts best (one other aircraft had been dropped previously for budgetary reasons and still another because it did not attain Mach-2 speeds) but also on the fact that Saab was most willing to comply with Austria's wishes for compensatory arrangements.

The Austrian government, at any rate, requested that the purchase price of the aircraft should accrue to Austria in its entirety in the form of compensatory orders and that Austria be allowed to act as a subcontracto to the foreign firm in the form of equipment built in Austria. In plain English, this means that Austria wishes to produce specific parts for the aircraft of the next generation. This will be easiest to do, if the Swedish planes are purchased. The Swedes have also agreed that both the training and live firing will take place in Lappland, thus holding down noise levels in Austria to a minimum.

In the area of armor, five main efforts are being undertaken:

1. Adapting the American M-60 A1 tanks which have been in use in Austria for some time to the M-60 A3's which were purchased for the 4th armored infantry brigade by means of modification kits.

2. Equipping all armored vehicles with the FM-Mech-System 80, adapted to Austrian needs--a process which has been going on since 1983. This communications system which is used by mechanized units is based on the VRM 5080 radio set and the BCC 400A intercom built by the British firm of RACAL and produced in new Austrian Kapsch AG plant at Fuerstenfeld. To facilitate communication with the desired receiver, the set has a pushbutton system capable of storing subscribers' numbers.

3. Continuous overhaul of all APCs and older generation "Kuerassier" tank destroyers while simultaneously making certain improvements.

4. Equipping Austrian armored units with a new combat APC which allows the crew to engage in combat with full protective armor with onboard weapons of no less than 30 mm is under discussion.

5. Purchase of some 200 "Centurion" tanks from the Netherlands.

Procurement of the Centurions which were still in use in the Dutch army until recently is viewed as a genuine bargain, since the turrets are equipped with highly modern 105 mm L7 tank guns and since the purchase price corresponds to the tanks' scrap value.

Turrets of tanks which are in poor condition will be removed and reused in stationary emplacements whereas other moving parts which are still usable will serve as spare parts for those Centurions which are in good working order, i.e. about 180 tanks, which could be used to activate three antitank battalions.

Even if the defense ministry is right in assuming that it will cost some 9 million schillings per tank to modify the tanks needed for the three battalions, the purchase price is still extremely reasonable. Modernization of the Centurions would require diesel engines, new clutches and new fire control systems which meet present demands so that the army would have a battle tank at its disposal which approximates the specifications of the M-60 and would be fully serviceable until the mid-nineties. What is especially advantageous about this purchase is that it affords Austria an opportunity of making tanks available to the mobile territorial units slated to operate in level terrain. One should also not forget that some 30 bunkers are being constructed annually. They are equipped with 105-mm antitank guns and thus represent a rather substantial defense component of their own.

Now a word about the artillery sector. The armored artillery battalion No 4, which I mentioned in my last article, has since been activated and has also taken part in a brigade maneuver in Upper Austria in August 1984. Plans have now been drawn up for strengthening the field artillery component by activating three more artillery battalions which are to be assigned to the two corps and the army. The armored field artillery battalion No 4 was given the modern M 109 A2 self-propelled howitzers and the M 109 guns of armored field artillery battalions Nos 3 and 9 are to be changed over into M 109 A2s and thus be brought up to current levels. In other words, a step forward will also be taken in the artillery sector during the course of this legislative session.

Even though these are the three main problems areas of Austrian defense which need to be resolved, solutions have also been sought and investments made in other areas over the past 2 years, e.g. in the motor vehicle sector where three major procurement programs are presently underway. In addition to the recently purchased 600 Puch "Ranger" mopeds which are primarily used for courier services in built-up areas and in light terrain, 670 250 KTM cross-country motorcycles are being purchased at this time. These new cross-country military motorcycles are equipped for winter service with an automatic transmission and landing skis attached on both sides to spring mounted rocker arms on which the driver stands and which allow him to move about much more safely in snowy terrain. In the spring, the skis and rocker arms can be removed.

The armed forces are also receiving the first shipment of the Puch G cross-country vehicle at this time. In all, the army will have more than 700 two-axle and three-axle versions of the vehicle with a 0.6-ton or 0.8-ton payload in use. For missions in which the Austrian army employs cross-country trucks, 2.3-ton VW trucks are being purchased. These VW-LT 45 trucks have larger cabs which provide room for six persons in addition to the driver. 100 more trucks of this type were delivered in 1984.

In addition to various other items, the Austrian armed forces were generally outfitted with light NBC protective clothing. Other major purchases included various types of engineer equipment, rock drilling equipment, grippers and the like. Also, to replenish the ample supply of American M 3 pushboats, about 10 pushboats built by an Austrian shipyard were purchased.

Of the "hot irons," the very important missile issue seems to be closer to a solution. It is to be hoped that the signatories of the state treaty will show understanding for our concerns and agree with the views of the Austrian experts who say that real defensive weapons--be they guns or self-propelled projectiles of less than 30 kilometers range--are not subject to the limitations of the state treaty. In the final analysis, all the neutral nations of Europe which are located in the zone of contact of the two big power blocs--i.e. Finland, Austria, Sweden and Switzerland--should be granted the same opportunities for self-defense.

The two remaining "hot irons" cited by the defense minister are in the area of personnel.

The first of these concerns the comparatively easy life now enjoyed by members of the civilian service, i.e. the difference in treatment between them and the members of the armed forces. To be sure, they both serve for 8 months. The soldier, however, must live in the barracks; he must get up early and is on duty for 10 or more hours often enough; he must carry heavy packs on cross-country marches, crawl through the terrain during maneuvers, dig foxholes, perform nighttime duty and be prepared to help out in major disasters, etc.

The member of the civilian service goes to his office in a leisurely fashion, works a normal 8-hour day without stress and strain and goes home at the end of the day. He has regular working hours and if he happens to be absent--then he is absent; there is no way of punishing him for it. For another thing, he is not called up for refresher training as most soldiers are at regular 2-year intervals. He does not work too hard and does not get his hands dirty and, to top it off, his pay is a great deal higher.

Previously, civilian service lasted several months longer than military service. Between 1 January 1957 and 31 December 1974, 2,633 applications for exemption from military service were submitted of which 2,145 were approved. When the longer period of civilian service was abolished on 1 January 1975, the number of so-called conscientious objectors increased exponentially.

During an equal time period, i.e. from 1 January 1975 to 31 December 1982, 20,212 qualified draftees were exempted from military service by reason of being conscientious objectors. It is therefore reasonable to assume that most of those performing civilian service are simply people who wish to avoid the unpleasantness of military service. The same conclusion may be reached on the basis of the fact that 33 percent of them would rather do their military service in case the term of civilian service were increased.

Because of this state of affairs, there is a popular initiative underway in Austria now which aims to establish an equality in burden-sharing. If that goal is achieved, i.e. if civilian service is lengthened to about 14 months, only those young men are likely to remain who really do not wish to take up arms out of conviction while the others would think twice about opting for such service.

The last of the three "hot irons" is the shortage of young men available for basic military service because of the low birth rate age groups now coming of draft age. Another aspect of this same problem are the as yet inconclusive discussions about accepting women for military service although there surely is a large number of young women who would volunteer for military service, even to the point of bearing arms. After all, they have been taught equality long enough. But for the time being, plans are to overcome the shortage of draftees by other means. Staff positions and office jobs will be looked at very closely with the aim of cutting down on non-essential jobs and altering fitness criteria for certain types of assignments.

In addition, some 300 young women were recently hired as contract employees to take the place of soldiers presently holding office jobs so that they can be assigned to regular military duty. There is also some thought being given to raising the age limit of those liable to take part in military exercises from 35 to 40 or 45 years of age. But in order to achieve the desired result from such a program, additional military exercises would probably have to be scheduled and that is something the legislature would first have to approve.

There is also some news to report from the officer sector. Since reserve lieutenants in Austria are phased out along with career officers, the actual phaseout patterns may be interpreted as an indication of popular attitudes toward national defense. This joint phaseout of regular army officers and reserve lieutenants is an indication of the fact that the reserve officers of the Austrian army are fully integrated. The fact that the number of lieutenants being phased out keeps climbing year after year can only be interpreted as proof that respect for the military is on the rise in Austria. Thus, on 23 September 1984, more than 600, i.e. 628 lieutenants (123 regular army and 505 reserve officers), were taken over by the Austrian army for the first time ever.

It may also be worth noting that, starting in late 1984 and extending over the following 2 years, a number of high command positions in the Austrian army will be newly filled. This will be the first time that such positions will not primarily be held by officers who served in World War II. Gen Hannes Philipp, for example, has been named army commander and Gen Othmar Tauschitz was appointed as head of section 4 (general logistics) of the defense ministry. Their respective successors are Div Gen Adolf-Erwin Felber as commanding officer of the Maria-Theresa Military Academy and Div Gen Ernest Koenig as head of general staff group A (for planning and organization). Command of II Corps was entrusted to Corps Commander Eduard Fally and the command of the 9th Armored Infantry Brigade was given to Col Hans Moser, who replaced Brig Felber.

9478
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RESERVE PARACOMMANDO BATTALION UNDERGOES READINESS TRAINING

Brussels VOX in French Mar 86 p 7

[Unattributed article: "...."]

[Excerpt] And yet the attainment of independence by the two territories took place under better conditions than that of the Congo. The 4th Commando group handed over its missions to the Rwandan National Guard and was repatriated in July. The battalion was officially dissolved on 1 October 1962 and its flag stored at the Royal Armed Forces Museum.

In the early seventies, the 4th Commando group became a reserve battalion of the Paracommando Regiment. The troop was manned by soldiers demobilized from other battalions. It consisted of the 23rd, 24th and 25th Companies and of one EMS company.

This was also the time when the CE Commando group officially received the flag of the 4th Commando group, which was meant to form part of the cadres for the battle ready 4th Commando Battalion.

The 4th Commando Battalion, a reserve unit, has taken over the traditions of the 4th Commando group, an active unit. Its personnel wears the green beret with the regiment's insignia and the same insignia on their uniform as the 2nd Commando group. The battalion has a mixed language regime.

The fourth call-back of the 4th Commando group since it was dissolved in 1962 was organized for 10 to 22 March 1986.

Numerous activities left hardly any time for the recalled soldiers to catch their breath... As a matter of fact, Lt Col BEM J. Beaudouin, corps chief of the 4th Commando Battalion, had already called back his reserve staff officers and non-commissioned officers to develop a well filled program.

Thus, after having gone through the traditional formalities of incorporation in Elsenborn -- for the EMS Company and the 24th Company -- and in Helchteren -- for the 23rd Company and the 25th Company --, the recalled soldiers found themselves in turn by company in Bourg-Leopold and in Elsenborn to carry out firing exercises with GP, Vigneron, Fal, MAG, LAW, and Mi 50's, and throwing grenades. During their stay at Bourg-Leopold, balloon jumps were organized at the CE Para. Also, at Schaffen the 638 recalled soldiers experienced the enormous satisfaction of once again taking the big leap!

Next, the paracommandos spent 2 days at Marche-les-Dames to review commando techniques -- climbing, rappelling, explosives, advancing on rough terrain --, and to practice them somewhat.

The radio operators, the MILAN units, the mortar units from the EMS Company, and the riflemen from the assault companies were also given so-called specialization courses geared to their function. Looking at the program grid, it was a real "10,000 piece" puzzle that Captain Adam, the battalion's S3, had to put together.

Following this first week of physical and technical conditioning, the 4th Commando Battalion was reassembled at Elsenborn. Within the framework of a battalion exercise based on the theme of "surface defense," the companies carried out maneuvers in the area of Burtonville, Trois-Ponts and Recht, performing small helicopter transported operations with "seize and hold" missions, and a mission to defend sensitive points.

Will it be possible, after this recall, to state that this reserve battalion has achieved an operational level identical to the other units of the Para-Commando Regiment? Seeing the maturity, good will and "spirit" of the green berets, who could doubt it?

8463
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AIR DEFENSE GROUND ENVIRONMENT SYSTEM GOES ON LINE

Bonn BUNDESWEHR AKTUELL in German 28 Apr 86 pp 1, 4

[Unattributed article: "A Gap Is Closed--GEADGE Gives the German Luftwaffe the Most Modern Ground Control System in NATO Air Defense"]

[Text] The modernization of air defense is progressing steadily and inexorably. While the course for an effective air defense extending into the 21st century has long since been set by the weapons systems "Roland" and "Patriot", whose deliveries to line units are to begin in the foreseeable future, a technologically highly developed ground control system became operational last week after more than 3 years of testing.

At the 1st Battalion of the 31st Communications Regiment in Messtetten, the system having the designation GEADGE (German Air Defense Ground Equipment) was placed into service by the Luftwaffe chief-of-staff, Lt Gen Eberhard Eimler. The system replaces the obsolescent air defense system 412 L in the area of the 4th ATAF and thus closes the gap in the NADGE (NATO Air Defense Ground Environment) system extending from Norway to Turkey which was previously filled by the 412 L system.

GEADGE--a NATO project with national participation--gives the German Luftwaffe the most modern and most efficient system of this type in the alliance. The system, procured at a cost of DM 428 million comprises the following:

--an air defense sector command post (SOC-3);

--four flight reporting and control centers (CRC);

--three remote automatic radar flight reporting points (RRP);

--two mobile radars (TRRP); and

--one test and training site.

With the introduction of this system, which covers the entire south German area, not only does the most modern computer technology make its entry into the radar flight reporting and control centers (CRC) Boerfink, Freising, Lauda, and Messtetten, which will be equipped with a central computer section, a visual display group and a communications subsystem.

Above and beyond this, GEADGE offers a whole series of additional advantages over NADGE and particularly the 412 L. System design and technology are the basis for:

--substantial savings in personnel (circa 280 slots);

--an increase in performance capability;

--improving flexibility;

--standardization;

--reducing the maintenance, repair, and training effort.

In addition, the GEADGE system "architecture" was deliberately designed with a view to expanding and supplementing the system network. GEADGE thus meets the prerequisites for the planned Air Command and Control System (ACCS), and represents the first step toward the strived-for goal of readiness for the control of combined aerial warfare operations.

Still to follow are:

--the integration of the United States' SAM units, which currently can only be provisionally linked up, thus making possible for the first time, among other things, an exchange of air situation data between the SAM systems and the radar flight reporting and control centers, which creates new tactical possibilities;

--the procurement and complete integration of modern, software-guided sensors for the radar flight reporting points;

--the establishment of interoperability with other control and control data systems, such as EIFEL, for example.

In view of the increased threat posed by the air forces of the Warsaw Pact, Lt Gen Eimler called the introduction of GEADGE an additional step toward the absolutely essential "across-the-board renewal" of air defense. Eimler said: "The reasons for this lie in the fundamental changes which the air forces of the Warsaw Pact are currently undergoing. They are disengaging themselves from the support and air defense role and are steadily gaining in offensive strength, with no end to this development in sight. Fighter aircraft are being replaced by fighter-bombers, older fighter-bombers by more efficient ones. Added to this are modern bombers. Also disturbing is the numerically very strong and still growing attack helicopter potential, which frees the fighter-bombers for operations in depth."

12689/9871
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MILITARY NORWAY

GENERAL: 35-YEAR BASE POLICY NEEDS RECONSIDERATION

Oslo AFTENPOSTEN in Norwegian 13 May 86 p 12

[Op Ed Article by Major General Paul M. Strande; first paragraph is AFTENPOSTEN introduction]

[Text] Major General Paul M. Strande has been chief of staff with the North Norway commander in chief for 6 years and head of the North Norway/Division 6 district command for 6 years. Thus he has had special reason to keep track of and evaluate threat developments. In this article he says that it is time to reconsider our 35-year-old base policy.

The Soviet Union made a very smart move in 1949 when in response to a Soviet query the Norwegian government took a stand on Norwegian policy that has been regarded as valid ever since.

The Soviet ambassador's note of 29 January 1949 asked the government among other things "to what extent the Norwegian government intends to commit itself to the Atlantic Treaty with regard to the placement of air or naval bases on Norwegian territory."

The Norwegian government's reply--which was made on 1 February--contained this statement: "The Norwegian government will not enter into an agreement with other nations that involves Norwegian commitment to open bases for the armed forces of foreign powers on Norwegian territory as long as Norway is not under attack or threatened by an attack."

Although the answer to the Soviet question was not very farsighted, it is very understandable in view of the situation at that time.

Development

Since the Norwegian reply was made, radical changes have taken place in the military policy situation both in a global context and in areas that affect Norway in particular.

The Soviet Union has acquired a nuclear arsenal comparable to that of the United States.

The Soviet Union has built up an unparalleled submarine fleet and a fleet of surface vessels that can make an impact in all the world's oceans.

The Soviet Union has acquired supporters and naval bases in all parts of the world with the exception of Australia. To a large extent this has taken place in waters that were under the control or influence of the western allies in 1949.

The Soviet Union has both said and demonstrated that it is willing to use armed power to force neighboring countries to do what it wants.

The western allies have succeeded in rebuilding their conventional forces to a level that would substantially block a quick Soviet victory in Europe. There are also forces available to reinforce the defense of Norway if they can be brought in in time.

The Murmansk-Kola area has been turned into one of the Soviet Union's two most important naval bases. About half of the almost 4,000 Soviet submarines are based here. There are also around 200 naval vessels and enough landing craft to transport more than the single marine brigade that is stationed in the area. The North Fleet's Spetznats brigade is also based here along with the North Fleet's more than 250 airplanes and close to 100 helicopters. There are also around 30 nuclear weapons carriers in Kola, 18 of them with a range that is only a threat to Scandinavian targets.

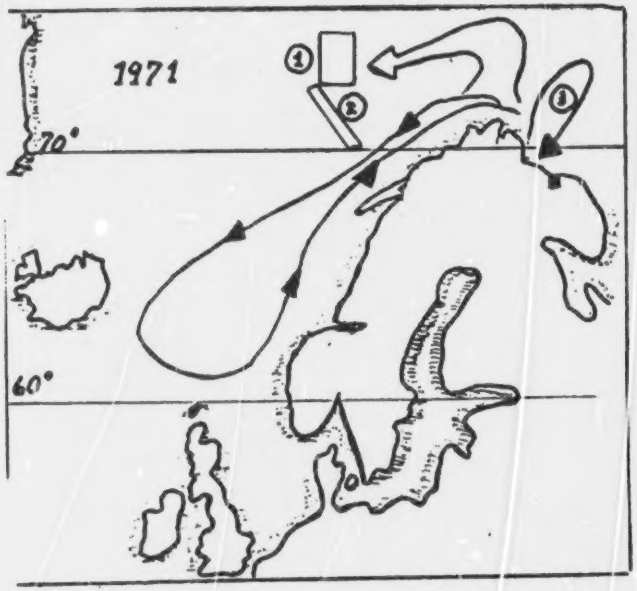
We also find in this area two mechanized divisions that include 500 medium-weight tanks, quite enough to launch an attack against Norwegian territory. Transport capacity from the south is great enough that the area could be reinforced by 1 division per day. The Soviet capacity was clearly demonstrated in 1968.

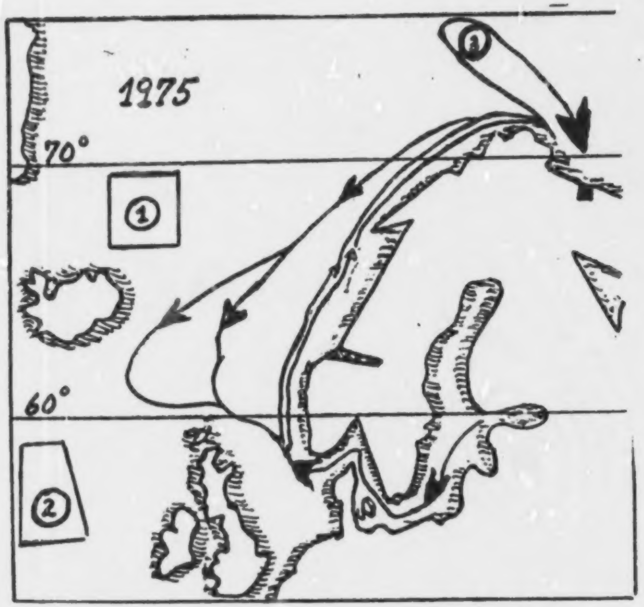
At that time we held the "Polar Express" exercise in Troms--more than 600 km from the border. A Soviet mechanized division marched up to our border with the guns of its tanks pointed westward--clearly visible to the Norwegian soldiers guarding the border. Large air and ground forces were also flown into the area.

However it is the Soviet naval buildup and the development of naval exercise patterns that is the main factor in changing our military policy situation compared to the situation in 1949.

Until the 1970's landing exercises were limited to short sea transports in the Fiskerhalvoya area. It is true that in 1971 a few surface vessels sailed as far south as the Stadt-Iceland line, but the submarine fields were between Troms and Bjornoya.

With the "Okean" exercise in 1975, the large combined Soviet exercises changed character in a very drastic way. The submarine fields now lay near the Strait of Denmark and south of Iceland. Surface vessels and cruising planes could be found as far south as the North Sea and forays were made out into the Atlantic.





The sketch on the left shows the main features of the big Soviet combined exercises in 1971. Nos 1 and 2 are submarine fields while 3 indicates an amphibious operation with a battalion group.

The sketch on the right shows the submarine fields and the waters used by surface vessels and amphibious forces in 1975.

Amphibious forces on landing craft emerged from the Baltic Sea and came all the way up our coastline to Fiskerhalvoya. Commercial ships loaded with heavy military materiel also took part in the exercise. Since then large Soviet combined exercises in these waters have followed the same basic pattern, except that the forces have steadily increased in size.

The exercises in 1985 ("Summerex-85") confirmed that the Soviets are considering as a viable alternative not only protecting the valuable Kola bases as much as possible but also: cutting off communication lines between the United States and Europe--and especially Scandinavia; controlling or at least establishing naval supremacy and air superiority as far south in the Norwegian and North Seas as possible; and ensuring passage into the Atlantic.

Our Situation

To leave the Soviet Union in no doubt as to NATO solidarity and the fact that an action against a small part of the NATO area will be met by NATO forces, small army, navy and air force units have been picked out to come into a threatened area before an attack occurs and thus prevent the outbreak of hostilities. These so-called Allied Mobile Force (AMF) units have held exercises in Norway several times. However we have no guarantee that these forces could be called in in time. Some of them also have other duties in the event war breaks out. In view of this, a better way of preventing an attack would obviously be to station NATO forces in the area in peacetime.

The Soviet exercises have shown quite clearly that our country lies behind the Soviet naval forces' advanced lines of defense. This would make the bringing in of reinforcements from the West by sea to Norway, and especially North Norway, so risky that it would take a great deal to make the operation acceptable. To deal with this, some of the reinforcement units' heavier equipment has been stored in Norway so that the units and their lighter equipment can be flown in.

With the opportunities the Soviet Union has of quickly establishing air superiority over large parts of North Norway, air transports there could also be more risky than our allies will care for under certain conditions.

The development that has taken place in Soviet forces and their exercises seems to have placed the Soviet Union in a much better position than it was in 35 years ago with regard to preventing allied reinforcements from reaching Norway--and especially North Norway.

We have not stationed allied forces in Norway in peacetime. To "preserve a low level of tension in the northern region," as they say, our defense forces are also subject to certain restrictions with regard to allied exercises. The Soviet Union does not seem to have imposed any restrictions on itself to "preserve a low level of tension."

It is time to show that the statement made to the Soviet Union about our base policy in 1949 is no longer regarded as meeting our needs in 1986.

6578
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ECONOMIC DENMARK

FAEROE ISLANDERS SEEKING TO EXPAND EXPORT BASE, AVERT CRISIS

High Consumption Rate Continuing

Copenhagen BERLINGSKE TIDENDE in Danish 6 Apr 86 Sect III p 7

[Article by Jesper Elle]

[Text] The Faeroe Islanders want greater freedom in their relations with Denmark. Independence, however, costs money, and the economy of the Faeroe Islands is in a poor shape, one of the reasons being the high standard of living of the Faeroe Islanders, which is close to touching the world record.

The Faeroe Islanders live well.

The standard of living ranges among the highest in the world, but the 45,000 Faeroe Islanders have had to recognize the dark side of the picture.

The balance of payments deficit is approaching disastrously high levels. Last year, it was well over 470 million kroner. That is twice as high per capita as the Danish deficit.

The Faeroe Islanders already have a net foreign debt of 3.5 billion kroner, and the Advisory Committee on the Faeroe Islands of the Prime Minister's Department has anew pointed to the serious economic development, suggesting strong economic measures of intervention in the form of higher indirect taxes.

The fact that the deficit did not become any higher than it did--a deficit of nearly 1 billion kroner having been provided for in the budget--is not a reflection of any improvement in the economy, Atli Dam, government head of the Faeroe Islands, admits.

Rising fish prices caused an increase in export earnings of 270 million kroner. The lower crude oil prices improved the result by 100 million kroner, a single ship was sold abroad for 60 million kroner, and other ships which will only be delivered and paid for this year, have contributed to bringing down the deficit.

The Faeroe Islands would not be able to manage without subsidies. In 1985, Denmark's subsidies to the Faeroe Islands amounted to 730 million kroner. The subsidies cover one third of the public expenditures--including a subsidy of 100 million kroner to the main industry, the fishing industry, which accounts for approximately 95 percent of the export.

The Faeroese government head says that in granting subsidies to the fishing industry, the government is paying back tax money. During the last few years, the Faeroese government has gradually reduced its subsidies, which reached the peak of 400 million kroner a couple of years ago. This year the subsidies amounted to 260 million kroner only.

The political objective is to eliminate the subsidies to the fishing industry entirely. It does not make sense to collect taxes from the dominant industry with one hand and giving subsidies with the other, the politicians say.

Fishing Industry

However, big investments will continue to be made in the Faeroese fishing industry.

The expansion of the fishing limits to 200 nautical miles in 1977 marked the beginning of a distinct reorganization of the fishing industry. The Faeroe Islands had to withdraw a large portion of their fishing fleet, which resulted in overfishing in the nearby waters, especially of cod and coalfish.

According to marine biologists, the fishing fleet has a surplus capacity of close to 40 percent, and Faeroe Islanders, consequently, are now investing in other types of vessels which are capable of fishing at great ocean depths, among other things, for shrimp and 'the fish of the future," the blue whiting, which is processed into so-called 'fish sticks,'

The building program of the Faeroese government comprises eighteen new ships, and the budget is for 1 billion kroner. But not everybody is equally optimistic. Birgir Danielsen, managing director of Fiskasøla, the cooperative of fish exporters, does not find any basis for optimism, as far as larger catches of blue whiting are concerned.

"The resources of demersal fish are limited, and with eighteen new ships, the surplus capacity of the fishing fleet will increase. At the same time, there are limits to the quantities of blue whiting that may be caught.

A characteristic of demersal fish is that they have a very long growth period--up to 20 years. It should also be realized that deep-sea fishing has not yet yielded any major results. And it is costly. A ship equipped for deep-sea fishing for blue whiting costs up to 100 million kroner," Birgir Danielsen says, adding that Fiskasøla has not given its opinion nor has it been asked to make recommendations in connection with the building program. "It is a purely political decision," he says.

Fiskasøla, the membership of which is 180 fish exporters, focuses, for the time being, on the development of new fish products for export--and things are going well. The turnover was 1.8 billion kroner in 1985, and Fiskasøla accounted for 77 percent of the total export of the Faeroe Islands.

New Ways

The Faeroe Islanders are trying in every respect to find new ways of improving their depressed economy.

Fish breeding is a new industry that is really becoming a success, and the fish breeding industry is expected to reach an export of fish worth 800 million kroner in the course of the next 2 to 3 years.

So far, sixty permits have been given for breeding of fish fry, which the Faeroese government wants to keep an eye on. The operations will have to be supervised to prevent the outbreak of contagious diseases and pollution and to prevent the fish breeding plants from causing any harm to one another.

Fishing tackle, machinery and EDP systems are being developed and produced in connection with the fishing industry, and many millions of kroner are being invested in new equipment for the fishing industry.

There are also examples of export of know-how on fish production and marketing. Fiskasøla has, for 4 years, been working on a project which has resulted in the construction of a fish processing plant for 80 million kroner in Dakar in Senegal. The entire project cost 115 million kroner and employs a couple of Faeroese ships, which have carried through experimental fishing off Senegal.

Apart from the fishing industry, the industrial sector of the Faeroe Islands is rather limited, and attempts to create alternative industries are making rather slow progress, says the government head of the Faeroe Islands.

Agriculture which, till the turn of the century, was the main industry of the Faeroe Islands, is today a rather limited industry, and the well-known Faeroese sweaters, made from wool from sheep grazing freely, do not sell too well either. The turnover of the only spinning mill in the Faeroe Islands selling yarn and finished products has dropped sharply. From 8 million kroner in 1982 to 4.5 million kroner last year.

Optimism

Despite their gloomy economic situation, the Faeroe Islanders carry on with their lives without showing the least traces of distress.

They purchase cars, linens, color-television sets, videotape recorders and other imported consumer goods to an extent that beats most other countries. The Faeroe Islanders make good money and, for example, have more cars per capita than the Danes, even if the purchase tax on cars of 190 percent is similar to the Danish one.

Unemployment is an unknown phenomenon, apart from a slight seasonal unemployment trend. There are always jobs to be had onboard fishing boats or within the fishing industry. The fishing industry is the safety net which replaces unemployment benefits.

The tax system is very simple, almost a gross-income system, and in the eyes of the Danes, the Faeroe Islanders pay low taxes. The marginal tax rate does not go beyond 63 percent, and there is no capital gains tax, even if the majority of the local parliament favors taxation of capital gains and speculative gains.

Nor is there any property tax, which most politicians find unfortunate, but nobody would dare to touch the issue of land taxation. What a person has purchased and built, he owns for 100 percent.

Independence

A higher degree of independence is the constant goal of Faeroe Islanders.

The Faeroe Islands are outside the Common Market, where they prefer to remain. In view of the vast waters outside the domain of the EC, it is more profitable for the Faeroe Islands to remain outside the EC, unless Norway joins the community. That would change the situation, says Atli Dam, government head.

Relations with Denmark are described as good and beneficial for both parties, but the Faeroe Islands would like to receive the earmarked subsidies from Denmark as a total block grant. That would give the Faeroe Islands greater freedom of action and would, at the same time, reinforce the Faeroe Islanders' feelings of independence.

The six political parties represented in the Faeroese parliament represent different positions on the issue whether to remain within the Kingdom of Denmark or achieve complete independence.

The Social Democratic Party and the Unity Party want to remain within the Kingdom of Denmark. The Home-Rule Party is working together with the People's Party for the gradual introduction of independence for the Faeroe Islands as the economic basis for such independence is gradually provided. Independence takes money, they admit.

The Republican Party wants a Faeroese republic established as soon as possible. The Christian People's Party/the Progressive Party and the Fishing Industry Party do not want to participate in this controversy, their objective being for the Faeroe Islands to become self-sufficient.

There is full agreement that the right to the underground and thus to the oil and gas of which traces have been found, belongs to the Faeroe Islands. If Denmark is to get a share of future oil incomes, this will become a question of negotiations, the head of the Faeroese government says.

It is difficult reaching agreement on relations to NATO. A single party, the People's Party, would like to participate in the defense community, but Faeroe Islanders in general consider the NATO radar station on the Faeroe Islands somewhat of a thorn in the flesh. The question has been the subject of negotiations on four occasions since 1970 without any results.

Incidentally, it is rather long since a majority within the local parliament decided to declare the Faeroe Islands a nuclear-free area and informed the Danish government of it.

"We have not had any reaction from Copenhagen to this decision, they are probably still digesting it," as a member of the local parliament put it.

Denmark With Similar Problems

Copenhagen BERLINGSKE TIDENDE in Danish 23 Apr 86 p 20

[Editorial: "The Small Country"]

[Excerpt] There are apparently certain things that a nation may be able to get away with, provided it is sufficiently small. Like, for example, the Danish nation, though the Danes probably have not realized the correlation themselves. We Danes might benefit from the kind of object lesson which--like the article in BERLINGSKE SONDAG--would provide a clear-cut picture of the situation.

The Faeroe Islanders have a high standard of living in relation to their poor economy. They may have the highest standard of living in the world, at the same time as they are incurring foreign debt at twice the rate of the Danes, measured on a per capita basis. Well, the Faeroese population is smaller than 1 percent of the Danish population, not even that. That is why the Danish subsidies to the economy of the islands in the Atlantic may be acceptable to us. The Faeroese phenomenon is viewed from Denmark with relaxed and gentle interest.

The Danish nation probably accounts for around 1 percent of the NATO population. For decades, we have been incurring foreign debt at a rate that no major industrialized nation would dream of, let alone allow itself to incur. Like the Faeroe Islands, though it may be slightly less apparent, we have the wrong economic structure, with a too small marketable production in relation to our standard of living. Well, our friends within the EC and NATO will say, the Danes are such friendly and sympathetic people, whom we should like to keep within the Western alliance, and the country is small enough for us to be lenient in allowing it further credits.

7262
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SCHLUTER DEFENDS RECORD ON ECONOMY

Other Leaders Comment

Copenhagen BERLINGSKE TIDENDE in Danish 13 Apr 86 p 1

[Article by Ole Dall]

[Text] "The Danes have reached an exceptionally high level of affluence," Prime Minister Poul Schluter (Conservative Party) said in a long speech on the efforts of the government. Helveg Petersen: "I am unable to match the enthusiasm of the prime minister."

Prime Minister Poul Schluter's well-known optimism beat all records in his speech yesterday to his own party members at a Conservative committee meeting at Christiansborg [parliament], in which he reported on the economic situation and the efforts of the Four-Leaf-Clover Government:

"Things are actually going unbelievably well in Denmark of today. It is a fact that the Danes today have reached a level of affluence that is unprecedented in our history, Poul Schluter said, adding with regard to the consumption of the Danes:

"The consumption of the Danes of clothing, housing, food, liquor, furniture, linens, cars, vacation trips, etc., is today 20 percent higher than in 1973."

The prime minister, subsequently, elaborated on his statement that things are going "unbelievably well." He referred, among other things, to the sharp increase in the rate of employment, the balanced budget, the improved situation of small independent businesses, the increasing real incomes of pensioners and the decline in the number of social welfare recipients. At the same time, Poul Schluter urged the government to stick together:

"Each party is entitled to present the party's special profile to the voters. However, the willingness to stick together must be stronger than the temptation to mark one's position through statements or actions which are annoying, not to say disloyal to the three other parties."

The three other coalition parties agree that things are going "unbelievably well," but a couple of party leaders would have put it somewhat differently:

Erhard Jakobsen (Center Democrats): "I express myself in a different way, but it is quite true that people have no reason to complain. The rate of consumption has increased--not among a few but among a large section of the population, and the major problem is now the balance of payments deficit."

Flemming Kofod-Svendsen (Christian People's Party): "All of us have our own language, and we put things somewhat differently. It is incredibly gratifying that the employment rate has increased by 150,000 jobs, that our aid to the developing countries has been raised and that Denmark is now accepting more refugees."

The financial policy spokesman of the Liberal Party, Anders Fogh Rasmussen, says: "It is true that things are going fantastically well in nearly all areas. Optimism is self-reinforcing. It kills one to listen to bewildered and pessimistic politicians, One point, however, should not be forgotten: the problem of the balance of payments deficit."

Niels Helveg Petersen (Radical Liberal Party) also takes an optimistic view of a number of aspects of the Danish economic situation, but the leader of the Radical Liberal Party adds: "There is still a 'black mark on welfare,' for despite increasing employment, the unemployment rate is still far too high. As long as that is the case, I am unable to match the enthusiasm of the prime minister. At the same time, a large part of the consumption is taking place for borrowed money, and there are balance of payments problems."

Newspaper Assesses Address

Copenhagen BERLINGSKE TIDENDE in Danish 13 Apr 86 p 20

[Editorial: "Schluter's Happy Speech"]

[Text] A happy prime minister yesterday made his report.

Poul Schluter spoke as party chairman and received his Conservative party members' enthusiastic support for the policy pursued by the government. Things are going incredibly well, the prime minister stated. We have reached a level of affluence that is unprecedented in the history of the country. He was able to substantiate his claim in a convincing manner. But what about the tax pressure? And what about the balance of payments? Is it not true that things are not going well in both respects? Indeed, but also in respect to these problems, the prime minister had ready answers. High interest rates will have to be paid on old debt created by the Social Democratic government. And high daily unemployment benefits will have to be paid in consequence of the high unemployment rate. But interest costs are declining. and the employment rate is increasing. The prime minister was thus brave enough to predict a future in which it will be possible to reduce the tax pressure considerably.

It is a speech such as this one that causes the Social Democrats to fume. They find it difficult to face facts. They find that the coalition parties undermine the welfare society, and they do not want to admit that very important results have actually been achieved, as far as the recovery policy is concerned. But who believes that they would have been able to carry through a policy which would have prevented the society from ending in the abyss? Not even the most fanatic Social Democrats can possibly believe that. That is why the Opposition appears so futile when it refuses to participate in the economic policy and instead gathers its forces to create alternative majorities for foreign and security policy demonstrations. Perhaps the Social Democratic Party will one day be able to overthrow the government because it will move across a threshold where the government will have to stop. However, among the population such a crisis will be met with justified fears that a Social Democratic government, supported by the Socialist People's Party, will destroy the economic policy which has been extremely necessary and useful for the society. The prime minister was right in asking the question whether the country can afford at all to get another Social Democratic government.

The government has not solved its task--not yet. Poul Schluter admits that there are still many problems and that some of them will be difficult to solve. The non-socialist majority which forms the basis for the Four-Leaf-Clover Government, however, has shown that it has got both the willingness and the ability for it. That is why he is justified in using big words and that is why others should share his happy optimism.

7262
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ECONOMIC DENMARK

AFFLUENT SACRIFICING LIVING STANDARDS FOR SCHLUTER SUCCES

Copenhagen BERLINGSKE TIDENDE in Danish 6 Apr 86 p 10

[Article by Frank Dahlgaard]

[Text] The affluent have become the victims of the Schluter government. On the other hand, lots of ordinary workers and salaried employees of the lower income brackets are experiencing economic security and progress as a direct result of the policy pursued by the Four-Leaf-Clover Government.

When, 3½ years ago, the Four-Leaf-Clover Government took over, Poul Schluter, in his capacity of newly elected prime minister, announced that "it will from now on be easier being a Dane."

If one is to believe the words of Svend Auken, deputy chairman of the Social Democratic Party, this promise has only been redeemed for the affluent section of the population--the section described by Svend Auken as "the upper-class Danes." Workers, pensioners and the young people belonging to "the lower-class Danes," on the other hand, have experienced a deterioration in their situation, according to Svend Auken.

However, this claim of an increasing gap between poor and rich in Schluter's Denmark does not agree with the signals issued from real life outside the walls of parliament.

Here, it is increasingly the affluent with relatively high family incomes who claim that they find it difficult to make ends meet.

BERLINGSKE SØNDAG thus published a thought-provoking interview on 23 March with a family of teachers, who presented their budget to the readers. The total income of the couple was 425,000 kroner, plus extra incomes from various jobs of the three children. The family lives in a big house at Holte, has two cars and a camping wagon, takes vacations abroad each year and should, on the whole, be reckoned among the well-to-do of the society--the section of the population described by Svend Auken as the "Upper Class Denmark."

Nevertheless, this family has experienced economic problems of recent years--which, clearly, is a typical phenomenon among a large number of the affluent.

The Holte family should definitely not be accused of complaining. On the contrary, the couple said openly and honestly in the interview with BERLINGSKE TIDENDE: "We do not want to convey the impression that we are complaining. We have a big income compared to many others, and we have a good life, but we can no longer afford any impulse purchases. Our budget has become rather tight compared to previously."

What has, indeed, happened to the Holte family and the tens of thousands of other affluent families in Denmark who of recent years have found it increasingly difficult to make ends meet?

The answer is that they have had to sacrifice their living standards for the success of Schluter's recovery policy.

And it may be added that many families among the affluent will find it even more difficult to make ends meet once the tax reform will reduce interest deductions.

When Is a Person Rich?

The question whether one feels rich or poor is not only a question of incomes. It is equally a question of expenditures.

If, for example, one has incurred large, fixed expenditures in the early eighties in expectation of wage or salary increases of approximately 10 percent annually, one has, undoubtedly, become unpleasantly surprised at the anti-inflationary policy of the Schluter government.

That is clearly the problem of the Holte family.

If Anker Jørgensen and Svend Auken had remained in power and had continued their deficit and inflationary policy, the couple of teachers in Holte and lots of other people with secure jobs would not have got into an economic squeeze. For in that case, the inflation and salary and wage increases would have made it easy for them to meet their big mortgage payments. In that case, the affluent would not have experienced any increasing real estate taxes, rental values and property taxes, which have emerged in the wake of the declining interest rate and the sharply increasing property prices.

On the other hand, hundreds of thousands of working class families belonging to the "lower-class Denmark," would not have experienced the increased affluence which they actually have experienced under the Four-Leaf-Clover Government on the strength of increasing employment and real wages and declining unemployment.

The secret of a good economy is simply to spend less money than one earns. The validity of this principle, however, was contested by the inflationary policy of the sixties and the seventies, when an increasing number of people found that it actually paid to become indebted and to live beyond one's means. Conversely, if one deposited one's savings in the bank or invested them in securities, they would lose their value on account of the inflation.

Inflation, however, is surprisingly quickly reduced to close to the zero level, and the sooner people discover that it is dangerous to become indebted, the fewer will encounter the difficulties experienced by the Holte family.

An inflation that has been halted is solely the problem of the affluent. For few among those who are without means can afford borrowing large amounts of money. Nor do such people have the possibility of purchasing homes or summer cottages--and thus of incurring large mortgage debts.

Calculations of Independent Advisory Council

Nine years ago the Independent Advisory Council presented some interesting calculations of the distributive effects of the inflation (Report of Independent Advisory Council of May 1977).

Their conclusion was quite clearly that inflation is an advantage to independent business people and owners of real estate (that has been mortgaged). For these people will have large capital gains when the money value declines. Conversely, the losers in an inflation are typically salary and wage earners without their own homes or other real estate.

As Svend Auken puts it, one may thus say that the inflation makes the affluent richer and those without means poorer. This means, on the other hand, that stable prices and a fixed krone value are an economic advantage to those who are without means.

Schluter's anti-inflation policy has thus clearly been in the interest of salary and wage earners who do not own property.

In the above report (page 92), the Independent Advisory Council writes that although an effective incomes policy during a period of transition will mean higher incomes for independent business people and smaller real incomes for salary and wage earners, as a result of the above-mentioned shifts in property ownership, the situation will change to the advantage of salary and wage earners who do not own real estate--thus those who are without means.

And the Independent Advisory Council adds that if one, furthermore, takes into consideration the fact that lower increases in salaries and wages reduce the need for increasing direct and indirect taxes, more of the fully employed salary and wage earners will gain by a wage/incomes policy compared to a policy which passively allows prices and salaries and wages to increase.

With regard to the wage and salary policy, the Independent Advisory Council adds: "However, the unemployed who become employed will, naturally, be the ones who gain the most."

It is an indisputable fact that, as a result of the salary/wage and recovery policy, more people have become employed and the unemployment rate has dropped.

Progress for Those Without Means

Since Svend Auken and Anker Jorgensen gave up and voluntarily surrendered the government power to Schluter and his coalition, 151,000 more jobs have been provided. At the same time, the unemployment rate has dropped to the lowest level in the last 5 years.

An analysis of the unemployment figures will clearly show that the higher employment rate has primarily benefitted those without means.

In the course of the last 12 months, the total number of registered unemployed has dropped by 14 percent. Among university graduates, the number of unemployed, however, has increased by 2 percent, whereas salaried employees and civil servants experienced a decline in their unemployment rate of only 6 percent.

The largest drop in the unemployment rate took place among workers within the building and construction sector (- 37 percent), among metal workers (- 25 percent) and among unskilled laborers (- 17 percent). The unemployment statistics moreover show that the unemployment rate has dropped particularly sharply among the long-term jobless as well as among young people.

If, indeed, Svend Auken is as concerned on behalf of those without means as he claims to be, he ought to be enthusiastic about this development.

Greater Security and Optimism

However, the increase in social security and welfare is far greater among those without means than reflected in the welcome trend of the unemployment figures.

For concurrently with the increasing employment rate, the fear of unemployment has vanished from hundreds of thousands of Danish homes. The risk of a decline in income has thus been reduced drastically. The result is, of course, that ordinary salary and wage earners now dare spend a larger portion of their current incomes. At the same time, lots of salary and wage earners have got the possibility of accepting overtime work with resulting higher incomes.

Claiming that it is merely the affluent who have had a higher consumption is closing one's eyes to the actual facts. Svend Auken might thus ask the Holte family if they had had an increased consumption.

The so-called consumer index of the Department of Statistics, which is based on quarterly interview with 2,000 families, shows a marked increase 6 months after the Four-Leaf-Clover Government took over. Since then, the said index has remained at the higher level.

Svend Auken may ask the Department of Statistics if they only interview affluent families or whether they interview a representative section of the Danish population, comprising all social strata.

The latter, of course, is the case.

The fact is that ordinary workers, salaried employees and their families feel optimistic, secure and confident about the future. It is also a fact that especially workers and salaried employees within the private labor market have experienced a noticeable increase in their real incomes since the wage and salary intervention last spring. This, of course, is also reflected in a bigger consumption.

Finally, pensioners as the only population group have retained the automatic price index regulation of the national pension. That has meant a bigger purchasing power for them.

If the Four-Leaf-Clover Government adheres to its anti-inflation policy, a large section of the affluent Danish population will have increasing difficulties making ends meet because the tax reform combined with the lower price increases will make their mortgage payments increasingly difficult to meet. An increasing number of foreclosures are not unlikely as a result of the recovery policy.

In the next few years, things will certainly not become easier for a large number of affluent Danes, to whom Svend Auken himself belongs.

There is no doubt that the economic recovery has taken place pari passu with a social recovery.

7262
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GOVERNMENT QUIETLY PLANNING MEASURES TO ATTACK TRADE DEFICIT

Copenhagen BORSENS NYHEDSMAGASIN in Danish 21-28 Apr 86 p 8

[Article by John Wagner: "Government Planning New Economic Measures"]

[Text] The Budget Department is preparing plans for a new economic strategy. The first trial balloon will be sent up this summer and the possible change in direction will occur at the time of the speech from the throne this fall.

A few days after the approval of the Easter package, five or six of Palle Simonsen's most influential economists in the Budget Department agreed that, during the coming weeks, they would work out a plan which could change the government's economic strategy radically. The background for this is that, while a balanced domestic budget will be realized this year, the trade balance continues to be the government's Achille's tendon.

The first brief from the government's economists is expected to be presented within a few days, but the change of course will occur during the fall at the earliest. The first indicators may appear in the "little publication" which the Budget Department will make public when the budget bill for 1987 is presented in the middle of August. /If/ a change of direction takes place!

BORSENS NYHEDSMAGASIN has learned that the Budget Department's preparations are being made with the full approval of the finance minister. The government itself, however, has not been given an orientation. And leading politicians from the governing parties are both surprised and astonished over the confirmed rumors which contain two elements:

-Calculations of what change foreign economic conditions mean for domestic economic growth--including the decline in the price of oil products, the fall in the price of the dollar and the continued weak growth in our most important export markets.

-An extensive analysis of what possibilities exist for the government in terms of pursuing a less-stringent income and money policy, increasing efforts toward expansive policies without a temporary side effect in terms of a worsening of salary competitiveness and the balance of trade. It is particularly this analysis which can have great significance for the government's position regarding the upcoming collective bargaining sessions.

The economic change in direction probably will include the government at long last admitting that it will /not/ achieve a balance in the trade deficit in 1988 as a result of the income and money policies which have been implemented up to now. It also was only a few days ago that the Western industrialized countries' cooperation organization, OECD, in a report on the economic growth in Denmark stated three reasons why the government will not accomplish its goals: The growth in the other OECD countries is too small for increased Danish exports in the degree which the government has hoped. The international interest level is thought not likely to fall this year. And structural problems in domestic businesses compound the problem.

Government economists up to now have rejected OECD's calculations, which, among other things, do not take into account the effects of the Easter package on the trade balance--approximately 4 billion kroner--just as the adjustment in the value of the krone after Easter (with marginal significance) also has not been included in the calculations. On the other hand, there is an increasing admission of the fact that prospects for exports remind one of the Danish weather reports at the beginning of April: Gloomy.

Accordingly, the Budget Department economists are working now on a more offensive strategy which first and foremost will solve commercial structural problems. Whereas up to now--especially with the Easter package--it has been the government's objective to get imports down to the level of exports, the effort in the future will be to get exports up to the level of imports. And this will require a far more offensive and export-oriented business policy, just as the development of new Danish products will need to be strongly intensified. The change in ministers, with the naming of a new industry minister, Nils Wilhjelm, and a new labor minister, Henning Dyremose, was not coincidental in this regard. Exactly the opposite.

Instead of the old objective of a trade balance in 1988, the government is expected to establish new objectives--now with the emphasis being on improvements in productivity and exports. And in order to improve productivity and fascilitate the collective bargaining negotiations this winter, one may expect promises of tax reductions (perhaps in connection with voluntary profit sharing in the business community)--if collective bargaining is not to totally undermine wage-competitiveness. An incentive for further savings in the new economic policies is expected to provide the impetus for general pension arrangements within the entire LO area. This also will bring with it a peaceful result to the collective bargaining negotiations.

As far as BORSENS NYHEDSMAGASIN can learn, the Budget Department evaluations initially will be debated during a full-day ministers' meeting in June, while Parliament is on summer vacation. And thereafter during two ministerial meetings in August and the beginning of September, with a view toward working out the prime minister's opening speech.

On the one hand, a change of direction is natural after nearly four years of a harsh income policy and tight money policy. On the other hand, it is compelled of necessity. Public opinion polls show that particularly the Easter package has cost the governing parties and the Radical Left considerable voter support. So great that the Social Democrats and Socialist People's parties have a majority in a Gallup survey which BERLINGSKE TIDENDE published two weeks ago.

Nonetheless, there are non-socialist politicians who are afraid to change directions. How will the core voters among the Conservatives and Liberals react if this government--just as the Liberal/Conservative/Radical government--pursued one public expenditure policy one day, and another the next? And can marginal voters, who believe in rejuvenation politics, understand that it no longer is so critical to achieve balance in the trade payments? Does the government risk losing its credibility?

In any case, the preparations for a change of direction have begun. Time will tell whether there is a political willingness this summer to implement the change which the Budget Department's increasingly more influential economists are calling for.

12578
CSO: 3613/116

ECONOMIC DENMARK

SOCIAL DEMOCRATS ADMIT SCHLUTER SUCCESS IN BUDGET DEFICIT

Copenhagen BERLINGSKE TIDENDE in Danish 27 Apr 86 p 12

[Article by Frank Dahlgaard]

[Text] Prominent Social Democrats admit indirectly that the government and the Radical Liberal Party have rescued the welfare society from ruin because of high interest payments by putting an end to the borrowing on the part of the state.

Externally, the Social Democratic Party time and again charges the government with breaking down the welfare society because of its "anti-social retrenchment policy."

Internally, however, entirely different notes emanate from Social Democrats with an insight in economic policy matters.

The government's budget policy has been a success. This year, we actually have a budget surplus. Eleven years of borrowing have thus been put to an end, and the Danish welfare society has been rescued from ruin due to high interest payments. It was this very threat which caused us to give up in 1982.

No Social Democrats, however, dare say this openly today. They have not forgotten the fate of Steffen Møller, an economist within the Metal Workers' Union and a Social Democrat, when in October of 1984 he indicated in BERLINGSKE TIDENDE that the policy of recovery was in full swing rescuing the country from bankrupty.

He was fired.

To remove the political smoke screen, it may in the present situation be useful to delve into the files and draw the attention to the statements made by prominent Social Democrats a few years ago on the budget situation.

Panic in 1982

We shall start with the situation 6 years ago.

In a TV-A broadcast on 29 February 1980, Knud Heinesen told then TV-reporter Hans Dam: "The endeavors to make cutbacks in the budgets of the public sector are, in fact, the beginning of a struggle to save the welfare state. If the present development continues unchallenged, our welfare society will be in serious danger."

Knud Heinesen was the following day supported by former Permanent Secretary of State for Finance Erik Ib Schmidt, who told BERLINGSKE TIDENDE: "The Welfare Society is being threatened, and the time has come to display courage and political vigor."

During the following period, Knud Heinesen did a lot to open the eyes of his fellow party members to the threat posed by the continued growth of public expenditures and the budgetary deficit.

On 21 April 1980 Knud Heinesen thus wrote in BERLINGSKE TIDENDE: "At present, we need not make any major changes in the welfare society, but if we let matters take their course, the economic difficulties will, in the course of the following years, increase to such an extent that we shall be forced to make essential cutbacks within the welfare society, and we do not want to do that."

They did, indeed, listen to Knud Heinesen's requests but did not take his advice. The expenditures of the public sector kept increasing, and the budget deficit became increasingly larger.

At the national congress of the Social Democratic Party on 6 September 1981, Steffen Møller, economist at the time of the Metal Workers' Union, warned of an impending national bankrupty, but most people shook their heads with a smile.

The following year, however, the faces of the Social Democrats set:

In the course of the summer of 1982, panic started spreading within the Social Democratic parliamentary group at the unchecked growth of the national deficit and burden of debt.

In July of 1982, Knud Heinesen wrote in the party organ NY POLITIK: "Who are financing the national deficit by purchasing the bonds issued by the state? That is, of course, the well-to-do. And who will be making the enormous service payments on the national debt? That is, of course, first and foremost, the ordinary taxpayer. The deficit policy leads to a redistribution within the society, which we clearly have to oppose. We, therefore, have to plan an economic policy which will reduce the deficit."

When Henning Jensen, Social Democrat and chairman at the time of the finance committee of the Folketing, realized this unintentioned and anti-social consequence of the deficit policy, he proposed that the state simply refrain from paying interest on the state bonds that had been issued:

"That is what some people call national bankruptcy, but I find this an incorrect term," Henning Jensen told the daily INFORMATION on 22 July 1982.

The statement attracted the attention abroad, and German and Swiss banks immediately suspended their lending to Denmark. They naturally did not want to grant any further loans to a state which might indicate that it did not want to meet its service payments.

In the summer of 1982, the Social Democratic parliamentary group had finally come to realize that if the welfare society were to be saved, the deficit of the state would have to be reduced considerably.

On 1 September 1982, Anker Jørgensen therefore presented an economic plan which involved cutbacks of 10 billion kroner in the national budget, including cutbacks in sick leave payments, welfare payments, child allowances, national pension payments, daily unemployment benefits and block grants to the municipalities.

It is largely such cutbacks that were subsequently made by the Four-Leaf-Clover Government under Social Democratic protests.

Hypocrisy Revealed

Most Danes have probably forgotten why Anker Jørgensen gave up in the fall of 1982 and voluntarily surrendered the government power to Poul Schluter. The reason was neither the balance of payments deficit, nor the inflation, nor the high unemployment rate. The reason was the enomormous domestic borrowing due to the big and growing budget deficits. It was this that constituted the threat to the welfare society.

A few additional excerpts from the files will reveal the Social Democratic hypocrisy in accusing the government and the Radical Liberal Party today of pursuing "an antisocial retrenchment policy turned against the welfare society."

In December of 1982, Mogens Lykketoft wrote in NY POLITIK on the domestic borrowing of the government: "In the course of a few years, an enormously large portion of the national product will have to be set aside for coupon clippers if we continue the high interest rate, the policy of borrowing and the economic recession. That would result in accelerating inflation, uncontrolled devaluations and continued declines in real wages. That is why we cannot avoid the necessity of intervening within the next few years to effectively change the trends. No government can doubt that."

Indeed, Mr. Lykketoft, the Four-Leaf-Clover Government did not doubt that either. That is why it took the steps asked for to "effectively change the trends."

On 21 June 1983, former Minister of Housing Erling Olsen, Ph.D. in political science, (Social Democratic Party) said at a conference at Hindsgavl: "A realistic Social Democratic policy cannot escape a total stop to the growth of public expenditures. It is the private sector which now has to grow."

Like Mogens Lykketoft, Erling Olsen also gave expression to great concern about the continued growth of the national debt and the thus increasing interest burden.

Indeed, it is exactly the wanted realistic policy which the Four-Leaf-Clover Government has since then carried through with the result that, in 1986, the state has a surplus and the interest burden is declining.

Still in 1984, the results of the policy pursued by the Four-Leaf-Clover Government were modest, and the Social Democrats gave expression to continued concern about the domestic budget deficit of the state. On 18 May 1984, Mogens Camre (Social Democratic Party) thus wrote an article in the daily POLITIKEN with the heading: "The Welfare State About to Go Bankrupt on Account of High Interest Payments."

Mogens Camre pointed out in the above article that "there are no indications that the deficit problems of the state will disappear within the foreseeable future via lower unemployment rates and higher tax revenues."

Things Going Incredibly Well

Today--merely 2 years later--the national deficit has actually disappeared as a result of lower unemployment rates and larger tax revenues ...

Indeed, the statement: "Things are going incredibly well," made by Prime Minister Poul Schiuter 2 weeks ago was well-founded.

The fact of the matter is that not even the greatest superoptimist would have dreamed 2 years ago that we would already in 1986 have a budget surplus.

Not even Steffen MØller believed this to be possible. On 31 October 1984, he wrote in BERLINGSKE TIDENDE, business section: "It is not blind optimism to imagine that the budget deficit would be gone already in 1988 if we are able to maintain the favorable trends that we are now experiencing."

Steffen MØller was fired because of this statement. Ironically enough, events proved Steffen MØller's optimism to be more than justified.

Indeed, things are going incredibly well. Those who have ridiculed this statement by the prime minister have merely revealed their own poor memory.

Finally, a single quotation from the book: "Shall We Be Able to Keep the Welfare State?" published in June 1984 by Bent Rold Andersen (Social Democratic Party), former member of the Independent Advisory Council and later on Minister of Social Affairs:

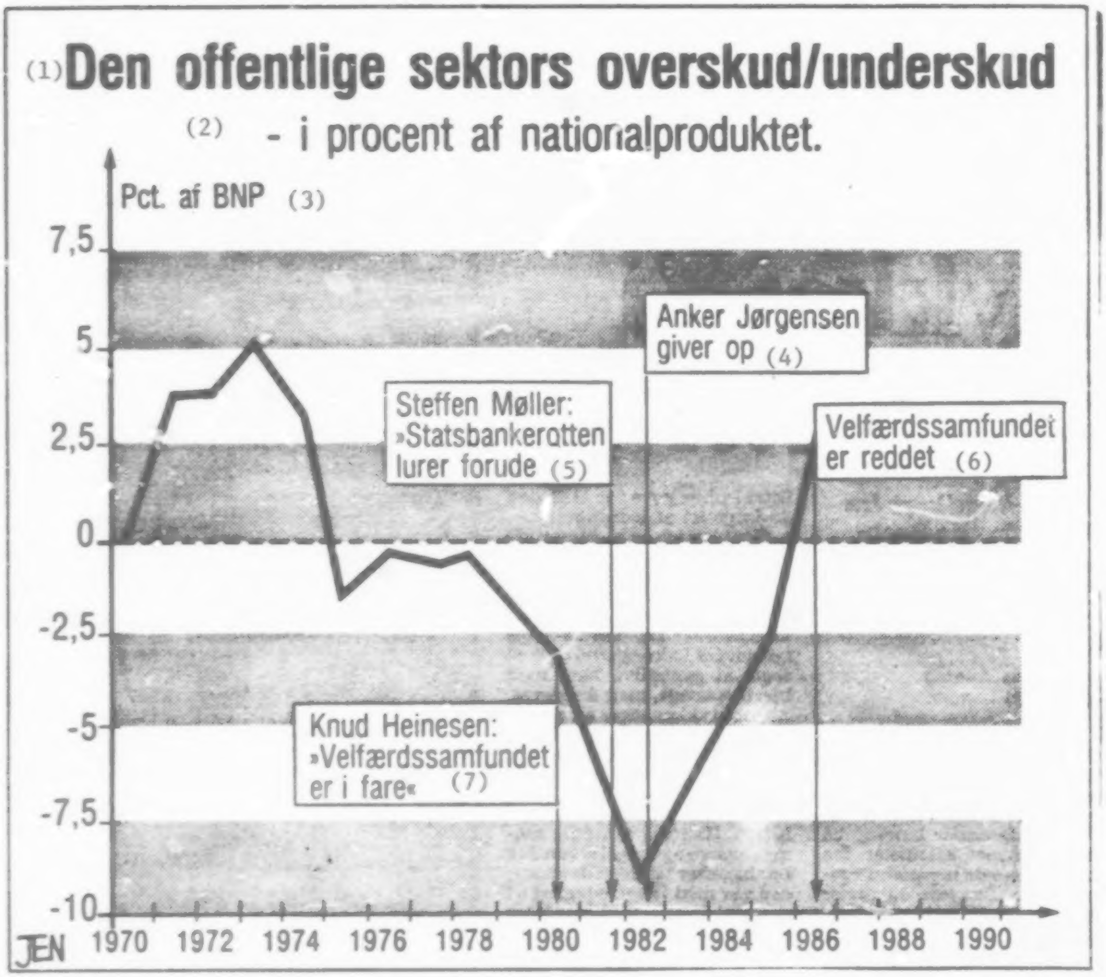
"Reducing and, in the long view, eliminating the budgetary deficit is a prerequisite for the survival of the welfare state during the next few decades."

It can hardly be put more clearly by a shrewd and honorable Social Democrat: By eliminating the deficit of the state, the Four-Leaf-Clover Government has benefitted the welfare society."

The hypocrisy has been revealed.

The Social Democratic Party should from now on stop its flow of slogans and empty phrases about "the government's brutal and antisocial retrenchment policy."

The fact of the matter is, indeed, that together with the Radical Liberal Party, the Schluter government has essentially been pursuing the very policy that the Social Democratic Party found necessary but did not have the courage to carry through.



Key:

1. Surplus/Deficit of Public Sector.
2. In percentages of national product.
3. Percentage of GNP.
4. Anker Jørgensen giving up.
5. Steffen Møller: "Bankrupty of state looming ahead."
6. Welfare society rescued.
7. Knud Heinesen: "Welfare society endangered."

Source: FINANSREDEGØRELSE 1986 as well as SMÅTRYK No. 49 from the Ministries of Finance and Economic Affairs. Graph by Jan Egeberg.

7262
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STUDY FORESEES RAPID POPULATION DECLINE AFTER YEAR 2000

Copenhagen BERLINGSKE TIDENDE in Danish 4 May 86 p 12

[Commentary by Frank Dahlgaard: "This Is How Denmark Could Be Depopulated"; first paragraph is BERLINGSKE TIDENDE introduction.]

[Text] In only 160 years the Danish population will be under 1 million if the birthrate remains unchanged. Population experts do not believe there will be a decisive rise in the desire to have children.

If the desire to have children remains unchanged the Danish population will simply die out--and it will happen much faster than most people think.

During the next 200 years the population will decline from the present 5.1 million to 600,000 people, and in 300 years there will be less than 200,000 Danes remaining. By that time the entire Danish population can live in Arhus!

This is shown by calculations which BERLINGSKE SONDAG has performed with the assistance of population expert Professor P. C. Matthiessen at the University of Copenhagen.

The past couple of years' modest growth in the birth rate does not shake the calculation.

Today there are 1.5 children born per woman, compared with 1.4 children per woman in 1983 and 1984. If the population is to be maintained over the long term, however, the average number of children per woman must rise to over 2.

Professor P. C. Matthiessen told BERLINGSKE SONDAG that he thinks it is unlikely that the birth rate will again rise to the level of earlier times. The main cause of the low figures for births is women's changed role in society, said the professor.

Against this background BERLINGSKE SONDAG asked Professor P. C. Matthiessen to calculate how the population of Denmark will develop in the coming centuries under the following three assumptions: 1. The birth rate remains unchanged at the present ca. 1.5 children per woman. 2. The death rate also remains unchanged for all age groups. 3. Immigration and emigration to and from Denmark cancel each other out.

Halving Time:58 Years

Under the stated assumptions, after a transition period of 50-60 years, the population will decline at a constant rate of 1.2 percent per year. That means that the population will be halved over a period of only 58 years.

Using this information from Professor P. C. Matthiessen, BERLINGSKE has calculated future developments in the population.

For the next 40 years the latest population forecast from Denmark's Statistical Bureau will be the basis of the figures. With an unchanged birth rate that shows a Danish population in 2025 of 4.3 million. In the following 25 years the population is assumed to fall by 1.0 percent per year, and after 2050 the decline will stabilize at the stated 1.2 percent per year.

These developments mean that in 72 years the population will fall to only 3 million. In 100 years there will be fewer than 2 million Danes remaining, and in ca. 160 years the population will be less than 1 million people.

The figures show how the Danish population will die out under the stated assumptions.

Two questions arise in this connection.

In the first place: Is it probable that the assumptions behind the calculations will hold, so that the population will actually decline as shown by the figures?

And in the second place: In the given case, is it good or bad if the population shrinks so drastically.

Absolutely Probable

The first question must be answered with a "yes."

Population statistics show that the birth rate, with small interruptions, has been falling steadily since the industrialization of Denmark began one hundred years ago. The drop in births has been especially rapid during the past 20 years, as equality between the sexes has begun seriously to be felt.

As Professor P. C. Matthiessen says, there is no reason to believe that this historic decline in the desire for children will be eliminated within the foreseeable future by the strong increase which would be necessary if the population is merely to be maintained. Perhaps, the professor added, a marked reduction in working time at some point in the future can change the situation.

Perhaps.

The assumption that immigration and emigration from Denmark over the long run will also rise is similarly probable. The net immigration to Denmark has historically been very modest, and even if Denmark is gradually depopulated, there will hardly be more of a stream coming in for that reason. In the other Nordic countries, where the population density is six times less than in today's Denmark, they are not experiencing any immigration pressures.

On the other hand England and West Germany, where the population density is much greater than in Denmark, have experienced a significant net immigration in the last part of this century.

There are also apparently other factors besides population density playing a role in the question of immigration and emigration.

In further consideration of the first question it can be useful to take a look back at historic developments.

At the time the first census was taken in 1769, the Danish population was about 800,000. If at that time someone had predicted that the population in the next 200 years would be increased sixfold, he would hardly have been believed.

Today there are Danes alive who are over 100 years old who have experienced a Denmark populated with only 2 million people. In 59 years, (from 1885 to 1944) the Danish population doubled from 2 to 4 million people. Why should it then be impossible to imagine that the population over a corresponding number of years can be halved again?

In 1972 we passed 5 million, and in 1980 we passed 5.1 million inhabitants. Since then the population has declined, apart from last year, when an unusually large stream of refugees has temporarily halted the decline of inhabitants.

All predictions, however, point in the direction of a continued decline in the population. The only question is how dramatic the decline will be.

Most people react instinctively with deep concern at the prospect of a drastic decline in the population.

For centuries we have become accustomed to population growth, and therefore find it difficult to adjust to the new situation, such as a declining and aging population.

But just because a development is new, it does not necessarily need to be bad or dangerous.

Although Denmark today can feed a population of 15 million people (we export two-thirds of our agricultural production) there is hardly anyone who finds this population desirable in Denmark. It would mean a population density here in Denmark of Netherlands proportions.

Presumably there are a number of people who already feel that Denmark is overpopulated. Actually we belong among the most densely populated countries in the world, with our 119 inhabitants per square kilometer.

It is worthy of note that even if the Danish population should shrink as shown by the figures, Denmark with only one million inhabitants in the year 2150 would still be more densely populated than Sweden is today.

The Danish population will go down all the way to about 800,000 before we are as thinly populated as Sweden is today.

Naturally a falling population figure is not without problems, b[illegible]ne should realize that a smaller population also solves problems.

We would have more room in Denmark, less traffic, less noise, less pollution and generally less of a burden on our meager and vulnerable nature.

Fewer Danes also means less housing problems and lower prices for land. A smaller number of youths will furthermore mean that youth unemployment will disappear and that crime will decline.

Finally the composition of the population in Denmark's future, the relatively more older and fewer younger people mean that we will have a more experienced and more mature population.

And that is not so foolish.

9287
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BERLIN BANK INVESTS RECORD 1985 PROFITS IN EXPANSION

Duesseldorf HANDELSBLATT in German 19 Mar 86 p 8

[Article signed "as": "New Holding Company for Berlin's Middle-Market Economy"]

[Text] Berlin, 18 Mar--The 1985 financial report for the Berliner Commerzbank AG [Berlin Commercial Bank, Inc.], Berlin, is its best ever. The profits, characterized as "exceptionally satisfactory" by board member Seigfried Ernst, have made possible a further strengthening of the company's reserves, plus an increase in dividends to 18 (16) percent on the capital stock of 72.5 million DM held by the Frankfurter Commerzbank [Frankfurt Commercial Bank].

According to Ernst, the major factor in this growth--the balance-sheet total having expanded almost 14 percent, to 5.46 billion DM, and the volume of business 12.8 percent, to 5.6 billion DM--was consumer business, on both sides of the balance sheet. He estimated the consumer share of the credit and deposit business as over 70 percent, and that of securities, 90 percent. Consumer debts alone rose by nearly 307 million DM, almost 12 percent, to 2.9 billion DM, to make up 53.3 percent of the balance-sheet total. A cornerstone of the consumer credit business is still construction financing, which, at 1.9 billion DM, constitutes about 70 percent.

Ernst noted that over the past year the Berliner Commerzbank has been giving special attention to the structure of its debit side. Consumer deposits increased 9.2 percent, to 3.1 billion DM. Savings-account deposits showed an increase of 6.2 percent, to 938.9 million DM, with special savings accounts--especially fixed-rate investment accounts--leading the way. Total consumer savings with the Commerzbank were at roughly the same level as in the previous year, Ernst stated, but only about 155 million DM of the total had an effect on the balance sheet, since over half the increase went into securities. Despite a slight narrowing of the interest margin to 3.3 (3.4) percent, the average for 1985 showed a 7.3 percent increase in interest earnings, to 164 million DM.

The high operating profits, which passed the 100-million-DM mark for the first time, were used first of all for an additional provision against risk, although the net outlay of 39 (24) million DM reported for this purpose constituted only the larger half of the allocated funds. After 25 million DM of the annual revenue of 40.3 million DM were set aside for reserves, the Berliner Commerzbank's capital resources amounted to 240 million DM, which represented about 4.4 percent of the balance-sheet total.

The Berliner Commerzbank will be proceeding with the planned expansion of its main Berlin office in 1987. With a cash outlay of 30 million DM, the bank will be creating an additional useful area of about 4000 square meters.

At the balance sheet press conference the board of directors also announced that the bank was establishing its own holding company. The Berliner Commerz Beteiligungsegesellschaft mbH [Berlin Commercial Holding Company, Ltd.], which has been provided with 2 million DM in capital stock, is intended to serve potential customers among medium-sized businesses with financing via equity capital and to work with these firms until they are able to join the stock exchange.

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CSO: 3620/637

ECONOMIC FEDERAL REPUBLIC OF GERMANY

BERLIN ELECTRONICS FIRM SEES RAPID EXPANSION

Duesseldorf HANDELSBLATT in German 16 Apr 86 p 21

[Text] Berlin--The Berlin Elektro-Beteiligungen AG [Berlin Electronics Partnership, Inc.], Berlin, is taking giant strides forward in its course of expansion. The holding company, which was first admitted to the stock exchange in the fall of 1984, has doubled its number of partner companies, from six at that time to twelve in the 1985 portfolio. Berliner Elektro consequently is able to report considerable growth rates for the 1985 fiscal year.

As Dr Manfred Bernau, chairman, board of directors, reported in an initial survey of the 1985 fiscal year, sales climbed 54 percent, or 17.3 million DM, to 49 million DM, and profits after taxes rose 45 percent, or 1.1 million DM, to 3.44 million DM. It was proposed to the general meeting of June 18th that 1.0 (0.8) million DM of the profits be allocated to reserves and the rest be used to distribute a dividend, once again, of 11.5 DM per share of common stock and 12.50 DM per share of preferred.

Bernau stated that 8.1 million DM had been used to acquire the new partners and their real estate. That made a total of 33.1 million DM invested in partner companies and 2.5 million DM invested in real estate during 1984 and 1985. It is true that Berliner Elektro had no claim on the previous year's earnings from some of the corporations newly acquired during 1985. However, Bernau stated that the three partner companies Albrecht, Hubner and Preussler have a history of achieving super-high sales and profits, and thus have substantially contributed to improved earnings for the holding company. Overall, the income from partners cited in the annual report for 1985 increased 24 percent, to about 7 (5.6) million DM, and profits as a whole rose 29 percent, to 7.3 (5.7) million DM.

Berliner Elektro estimates that with its twelve partners, sales will roughly double during the current year, to reach nearly 70 million DM. Furthermore, it has in hand other commitments to join the partnership during 1986, so the growth could be even more substantial. At present, according to Bernau, negotiations are being conducted with seven companies, and two or three are on the verge of a decision. The takeover of a firm in southern Germany is anticipated for May, which will expand Berliner Elektro's holdings geographically as well. It is hoped that this will provide additional impetus for the entire company, especially in terms of sales activity, which is showing distinct weaknesses in Berlin and elsewhere.

In addition, Bernau would like to have future acquisitions financed with the company's own resources. For this reason, there are plans to propose to the next general meeting new measures for raising capital which would ensure medium-range financing for the next five years. A share of the approved capital created at the last general meeting amounting to 3 million DM was used at the beginning of 1986 to increase the capital stock from the previous 10 million to the current 11 million DM. The remaining 2 million DM of approved capital will probably be tapped at the end of 1986.

13114/9738
CSO: 3620/637

BERLIN RESEARCH CENTER FOR PRODUCTION TECHNOLOGY OPENS

Duesseldorf HANDELSBLATT in German 2-3 May 86 p 19

[Article signed "as": "Theory and Practice Under One Roof"]

[Text] Berlin, 1 May--After three and a half years of construction and a cash outlay of almost 136 million DM, the Produktionstechnische Zentrum Berlin [Berlin Production Technology Center]--the "double institute" of the Berlin TU [Technische Universitat; Technical University] and the Fraunhofer Company--is now open. With approximately 300 jobs for scientists, technicians and administrators, it constitutes, in the words of TU President Prof. Manfred Fricke, another great research center for Germany in the field of production technology.

Under the leadership of Prof. Gunter Spur, the TU Institute for Machine Tools and Manufacturing Technology and the Fraunhofer Institute for Production Machinery and Design Engineering, which has joined forces with the university via a cooperative agreement, will be working together on further developments in factory automation. A special feature of the new building is the testing area, in the form of a large circular hall. Surrounding this field laboratories, computer systems and special work areas. A useful area of 15,000 square meters is available to both institutes.

As stated by Secretary of State Hans-Hilger Haunschild, the Fraunhofer Institute's industry-oriented research, guided by orders, will be able to benefit from direct access to the more fundamentals-oriented university research, while at the same time students and doctoral candidates will be able to draw on the practical skills which are a necessity for Fraunhofer Institute.

The Berlin Senator for Science and research, Prof, George Turner, emphasized that the machine models and manufacturing systems invented and developed at this "double institute" will probably have a tremendous influence on industry in years to come. Some of the most important features of the "factory of the future" will be developed in Berlin, Turner stated, a fact which will also help to ensure the competitive strength of our economy. Turner expressed the hope that the "double institute" would become known as a center for machine design far beyond the confines of Berlin.

In addition, the involvement of scientists in economic practice is a prerequisite for participation in the international market and for the creation of new jobs in keeping with the times. Anyone who measures the development of robotics only on the basis of the number of jobs being performed by robots has not understood the signs of the times and is not doing the employees concerned any service. We do not have the option of preserving outmoded and frequently unpleasant jobs, said Haunschild, since they will not survive technical developments in any case. It would consequently be better to take active steps to replace them with new ones.

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CSO: 3620/637

NATIONAL BANK REPORTS ON INVESTMENTS, JOB, BUDGET DEFICIT

Growth of Investment

Rotterdam NRC HANDELSBLAD in Dutch 29 Apr 86 p 19

[Article: "After a Sharp Decline in the Seventies, Investments Are Growing the Fastest in the Netherlands"]

[Text] Amsterdam, 29 April--Corporate investments in the Netherlands have recently risen faster than in other industrialized Western countries, even if the decline in the Netherlands since the beginning of the seventies has been relatively sharp. So writes the Netherlands Bank in its annual report that was released today.

In 1970, gross corporate investments in the Netherlands, expressed as a percentage of the gross national product, were relatively high. Between 1970 and 1982, however, this figure fell from 15.2 percent to 10.1 percent. In the Federal Republic of Germany, there was a drop from 14.5 percent to 11.8 percent. Since then, this investment figure has risen in the Netherlands by 0.9 percent to 11.0 percent in 1985; in West Germany there was a rise of 0.3 percent to 12.1 percent.

In 1985, the level of investment in equipment was comparable to the high point of the seventies. Corporate investments in buildings, on the other hand, declined again last year. Government investments also fell again in 1985, by 2.5 percent.

The recovery in investment that first appeared in 1984 was preceded by a recovery in corporate profits. These profits rose again in 1985. Earned income, expressed as a percentage of the total added value (excluding home ownership, mineral income and public services), sank from 87 to 85.5 percent. This earned income figure was still at 92 percent in 1980. Thus, the share of capital income is now again at the level of the beginning of the seventies. That level, moreover, still remains low compared with the situation in the sixties. Because interest payments stabilized, the improvement in capital income was chiefly to the advantage of those producing independent capital (and shareholders).

At the beginning of the eighties, the profitability of independent capital for the larger industrial concerns amounted to about five percent, at an interest rate of 10 to 11 percent. These relationships have changed drastically in the meanwhile, in favor of the profitability of independent capital. In 1983, both amounts were the same, and in 1984, the profitability of independent capital had risen to 12.1 percent, with an interest rate of 9.4 percent. The interest rate has dropped further in 1985 and 1986. President Duisenberg of the Netherlands Bank said yesterday that one can expect a further drop in interest rates to make investing even more attractive than saving, as a result of which the investments might climb even higher.

The recovery in investment is being accelerated, according to Duisenberg, by possible cuts in the WIR [Investment Regulation Act]. "Some doubt about the continuance of the (fiscal) investment grants may have caused businessmen to take profits as long as it is still possible," he states in the central bank's annual report.

In recent years, industry, excluding the housing sector, has had a financing surplus. This contrasts with situation in 1965-1974 when firms had an average deficit of 3.4 percent of the net national product. In 1985, however, the financing surplus will decline from 3.4 to 2.4 percent of the national income. This drop was the result of a growth in net investments (gross investments minus write-offs and old investments) from 2.8 percent of the national income in 1984 to 4.1 percent in 1985.

Despite this recovery in investment, the liquid assets in industry have risen "considerably" in the last year, according to the Netherlands Bank. This is clear in reports from the banks and clearing services. Figures from the Central Office for Statistics indicate, on the other hand, that the liquid assets of the 250 largest firms has remained stable. From this and from other facts, the Netherlands Bank concludes that the recovery in investment in 1985 was localized chiefly in the large concerns. The medium-sized and small firms, who depend primarily on the domestic market, may profit from the recovery later, with the demand for goods and services, than the larger, more export-oriented firms. Now, it is their turn to invest.

Employment Rising

Rotterdam NRC HANDELSBLAD in Dutch 29 Apr 86 p 19

[Article: "Number of Jobs in the Netherlands is Growing More Sharply Than Elsewhere in Europe"]

[Text] Amsterdam, 29 April--In 1985, the number of people with paid positions in the Netherlands rose more quickly than elsewhere in Europe. Employment in the Netherlands rose by 1.75 percent, in the EEC by 0.5 percent. In the United States, the number of people with a job increased by two percent. Over the entire period of 1975-1985, Dutch employment rose more sharply than in other European countries, excepting Sweden. This is made clear in figures drawn up by the Netherlands Bank.

The growth in employment, measured in number of people, has been stimulated in the Netherlands by a strong expansion of the phenomenon of part-time work. Expressed in full work years, the growth is smaller (one percent). While the number of people with a paid position increased by 95,000 in 1985, the growth in work years was significantly lower: 40,000.

Employment in the market sector grew by 35,000 work years in 1985, after an average annual decline of 85,000 work years in the 1982-1984 period. The growth took place chiefly in the commercial services sector and in industry. Since 1965, employment in industry had declined by 2.25 percent annually.

The Labor Foundation's recommendations in November 1982, directed towards a recovery in output and a redivision of labor, have led in the meanwhile to a generic reduction in working time, which resulted in extra employment of 50,000 work years, according to the Netherlands Bank's analysis. The reduction in work time went hand-in-hand with a proportion decrease in labor costs.

Government Deficits

Rotterdam NRC HANDELSBLAD in Dutch 29 Apr 86 p 19

[Article: "Next Cabinet Will Also Have To Bend Sharply"]

[Text] Amsterdam, 29 April--the government deficit will probably remain stable this year, but will rise again next year. This means that the next cabinet's keynote will also have to be deficit reduction. Thus, the prospect of tax cuts vanishes below the next cabinet's horizon. So stated Dr W.F. Duisenberg, president of the Netherlands Bank, yesterday at the presentation of the bank's annual report, which was released this afternoon.

According to Duisenberg, the view of the governmental deficit is made difficult because residential construction corporations are accelerating redemption of their Housing Act loans. These receipts are making the national deficit smaller. But since the redeemed loans have to be financed anew, by lower levels of government or directly on the capital market, one must in fact speak of a growth in the collective expenditures financed from outside of the budget. The acceleration of Housing Act loan redemptions in 1986, a result of the drop in interest rates, will amount to several times that of 1985 (2.3 billion guilders), according to the president of the National bank.

Not Afraid of Deflation

On the whole, the Netherlands Bank is not afraid of deflation. According to Duisenberg, the current drop in prices is a result of two specific, temporary factors: The decline in the exchange rate of the dollar and the falling energy prices. "These causes will come to an end," he stated in a note to the Netherlands Bank's annual report.

"Pension Premiums Will Not Be Lowered"

Retirement benefits in the Netherlands are relatively generous and the Dutch pension funds are among the richest in the world. They dominate the capital market and account for the lion's share of family savings. Since industry finances itself on the balance, the Netherlands have had a large national savings surplus for several years now, despite the large government deficit. Finance Minister Ruding asked last year for lower pension premiums, to the benefit of buying power.

The deficit of the national government and that of the lower levels of government, including all current expenditures outside of the budget, together declined between 1982 and 1985 from 10.1 percent of the national income to 8.1 percent. This year, the deficit will possibly remain stable, said Duisenberg, while a larger deficit must be expected again next year.

As a result of rising interest burdens, says Duisenberg in his "Report by the President", the national government has failed, in the four years up to and including 1986, its attempt to reduce expenditures as a percentage of national income. This figure remains stable. This attempt did succeed in the lower levels of government and in social security. Here, the portion of the total collective expenditures fell by 3.5 percent between 1983 and 1986. Part of this drop in expenditures, however, was used, to the displeasure of the Netherlands Bank, for cutting taxes, first for industry in 1985 and then for individuals as well. "We will be paying the price for this choice in the form of ever rising interest burdens," says Duisenberg.

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CSO: 3614/103

ECONOMIC MEETING WITH CUBA POSTPONED INDEFINITELY

PA081802 Buenos Aires REUTER in Spanish 2035 GMT 7 May 86

[Excerpt] Havana, 7 May (REUTER)--The Netherlands has indefinitely postponed a bilateral economic meeting with Cuba due to a "lack of clarity" regarding future payments of the Cuban foreign debt, a Netherlands Embassy official told REUTER today.

The official said that "the lack of clarity" regarding Cuba's future payment of its foreign debt of $3.5 billion, was the reason why the meeting of the Joint Bilateral Commission for Technical Cooperation and Development was postponed. It was scheduled to take place in Havana on 12 May.

Cuba recently informed its creditors in Havana that it has declared a 90-day grace period for the majority of foreign debt payments as of 5 May.

The Cubans also asked their creditors to grant a 2-year moratorium for the payment of the debt, with the exception of short-term commercial loans.

Western diplomats said in Havana that Great Britain is also considering cancellation of their Joint Bilateral Commission meeting with Cuba, scheduled for June.

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CSO: 3548/59

ECONOMIC INDICATORS REVISION URGED

Istanbul DUNYA in Turkish 15 Apr 86 p 3

[Article by Uluc Gurkan in the column "Point of View": "In Search of Truth"]

[Text] It is doubtless unavoidable and the right thing to do for Turkey to revise the indexes associated with its rather old and outmoded economic indicators. From this standpoint, it was a positive act to abandon the conventional approaches and switch to accounting methods that conform to international, otherwise known as IMF, standards in the balance of payments and budget.

However, converting Turkey to international standards in accounting methods was done because performance would look better than by the old method rather than because it was right. This motivation is especially telling in the budget.

Constant internal revisions have also been made in the indexes in an effort to make performance look better.

For example, on instructions from the Office of the Prime Minister, transit trade was added to foreign trade data in the balance of payments. The intent was to show growth in the volume of foreign trade, mainly exports.

In the same way, Turkish citizens' foreign exchange deposit accounts in the banks were taken out of Turkey's short-term foreign debts. Even though the banks have foreign-exchange repayment obligations as they would with any foreign credit, these accounts do not appear among the debt figures.

Finally, well-head prices on crude oil produced within the country by the Ministry of Energy and Natural Resources were retroactively reduced at the beginning of March. As a result, the wholesale price index could be reduced to .002 in February and .003 in March.

The world decline in crude oil prices may require a reduction in domestically-produced crude prices as well. However, we must not forget that the reduction in crude oil prices is not reflecting on domestic prices. In this case, a retroactive adjustment whose only effect is to slow the rise in the wholesale price index does not seem very meaningful.

Nevertheless, despite the fact that adjustments of this kind may create the impression of positive economic performance in appearance, they do not, of course, have any effect on the real course of the economy. Removing Turkish citizens' foreign exchange accounts from the short-term foreign debt burden has not prevented a foreign exchange panic in the banking sector.

Reducing the well-head price of domestically-produced crude to make wholesale prices look good is not going to give anyone the chance to use energy at this paper price.

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CSO: 3554/33

BANKRUPTCIES RISE SINCE 1980

Istanbul DUNYA in Turkish 2 Apr 86 p 3

[Text] Istanbul ANKARA AGENCY) - In the seventh year since the 24 January stabilization measures were instituted, incidents in the business world of "bankruptcy," "requests for reorganization," "liquidation" and "going out of business" are seen to have reached significant proportions.

According to data gathered, in the 6 years in which the 24 January measures have been in effect, 980 companies with total capital of 17.7 billion liras declared bankruptcy, 114 requested reorganization, 10,993 liquidated and 68,345 individuals went out of business.

Prime Minister Turgut Ozal said these developments were "the inevitable result of structural adjustment policies in industry," while experts describe the present picture as a "purge operation" and say, "The dimensions would be even worse if it had not been for the salvage operations."

"Bankruptcies," "requests for reorganization," "liquidations" and "going out of business" occurred rapidly in the first years of implementation of the 24 January decisions, but a slowdown has been observed since 1983. This is attributed largely to completion "of the structural adjustment process." Experts involved, however, contend that "salvage operations" had a significant effect in the slowdown.

The number of companies declaring bankruptcy in 1980 was 55, but rose steadily in subsequent years to 243 in 1985. Also, the average capital of bankrupt companies in 1980 was 1.293 million liras, but rose to 43.945 million liras in 1985. The higher average capital of companies declaring bankruptcy after 1983 in particular contributed to this. It is also thought that the banks wiped out by the Kastelli operation helped raise the average.

Meanwhile, the number of firms requesting reorganization in 1980 was 2, but rose to 22 in 1985. The average capital of these firms was 5 million liras in 1980 and 91.8 million liras in 1985. This, too, as in the case of bankruptcies, strengthens the idea that relatively larger firms have been requesting reorganization in recent years.

Contract terminations and liquidations, meanwhile, were seen to number 1,143 in 1980, rising to 2,352 in 1981, but steadily declined after 1982 and dropped to 1,238 in 1985. Likewise, the number of individuals going out of business was 7,337 in 1980, rose steadily to 14,536 in 1984, but dropped to 9,447 by 1985.

Interpreting the tables on bankruptcies, liquidations and business abandonment from data compiled by the Turkish Union of Chambers and Exchanges, experts contend that the 24 January policies made a more intensive upheaval in the business world inevitable and, although the process picked up speed from 1980 to 1982, it slowed after 1983 and that both the course of events and the relief offered by the "salvage operations" undertaken by Ozal governments played an important role in that.

Bankruptcies

Year	Firms	Total Capital (000 TL)	Average Capital (000 TL)
1980	55	71,154	1,294
1981	101	188,491	1,866
1982	158	750,219	4,748
1983	189	4,016,291	21,250
1984	234	2,000,000	8,547
1985	243	1,0678,583 [as published]	43,945

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CSO: 3554/42

ECONOMIC TURKEY

EXPORT DEVELOPMENT SINCE 1980

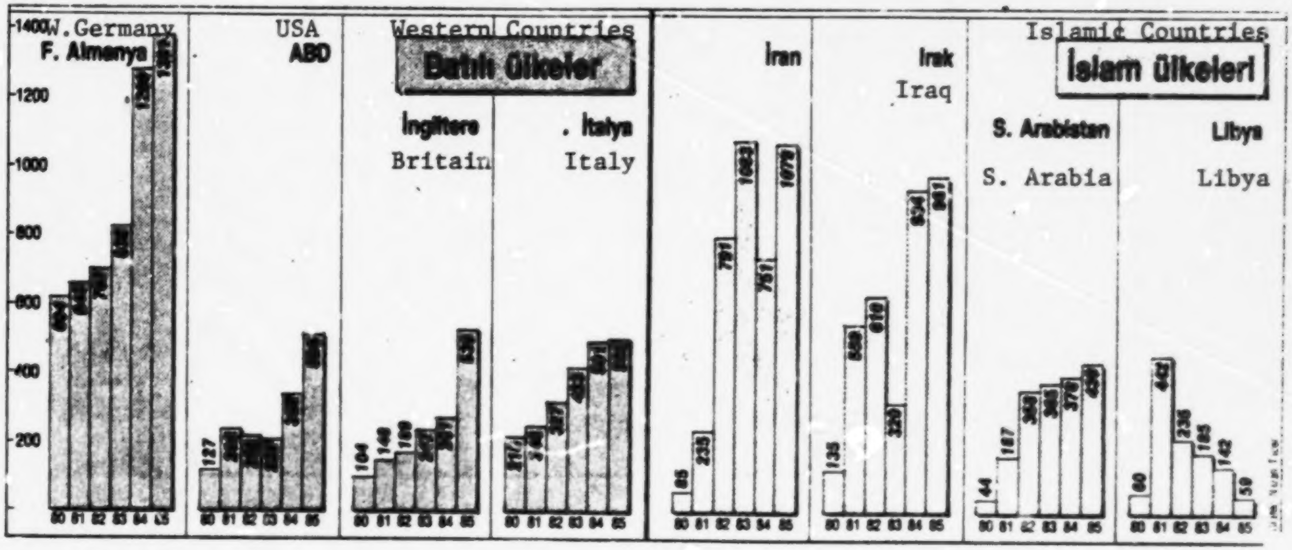
Istanbul CUMHURIYET in Turkish 3 Apr 86 p 9

[Text] ECONOMIC SERVICE - Export figures for the past 6 years show that Turkey pulled off an "export coup" by increasing its exports to oil-producing Islamic countries more than 6-fold, but actually realized more stable and steady increases on Western markets.

Turkey's exports to Islamic countries were around $550 million in 1980, rising to $3.4 billion in 1985, with the major share in this going to Iran with a 12.5-fold increase in exports, Iraq with a 7-fold increase and Saudi Arabia with a 10-fold increase. It was not unnoticed, however, that the increase in exports to countries such as Iran, Iraq and Libya, which were also selling oil to Turkey, was not a stable increase. For example, exports to Libya jumped from $60 million in 1980 to $442 million in 1981, but rapidly fell back to $59 million last year. Political factors stood out alongside the economic factors in the large fluctuations in exports to those countries. According to the 1985 data, Iran (13.6 percent), Iraq (12.1 percent) and Saudi Arabia (5.4 percent) had a total share in Turkey's exports of 31.5 percent. If these countries reduce their imports from Turkey because of declining oil revenues, it seems inevitable that this will significantly reduce Turkey's total exports.

Increases in our exports to Western markets such as West Germany, Britain, the United States and Italy were perhaps noticeably slower but more stable. While our exports to France and the Netherlands have also shown a steady increase, the major OECD country to which Turkey's exports have not increased at all is Japan. Exports to Switzerland show an abnormal distention owing to phony exports, but returned to normal in 1985.

Export Development by Country 1980-85 ($ million)



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CSO: 3554/42

ECONOMIC TURKEY

CHEMICAL FERTILIZER EXPORTS

Istanbul DUNYA in Turkish 15 Apr 86 p 5

[Text] NEWS CENTER - Bagfas Conglomerate, Turkey's only producer of special bags for chemical fertilizer, exported $70,801,936 in chemical fertilizers last year.

The firm made 1 billion liras on the packaging of 1.5 million tons of chemical fertilizers last year. Board Chairman Recep Gencer said, "Our companies produced almost 750,000 metric tons of chemical fertilizer, of four different types and qualities, in 1985, packaged 110,000 tons of imported fertilizer and has gross receipts of 110 billion liras, including nearly 80 billion liras in chemical fertilizer production, 25 billion liras in acid production, 3 billion liras in electricity and steam production and approximately 2.5 billion liras in polyethylene and polypropylene bag production, thus achieving 20 percent of the country's chemical fertilizer production and earning second place among all producers. Our company will be in the top 20 firms this year and will pay more than 2 billion liras in corporation taxes in addition to normal taxes."

Gencer said that last year they had exported 445,707 tons of chemical fertilizers of the triple super phosphate and diamonium phosphate type, worth $70,301,936, to Pakistan, Britain, the USSR, Italy, Venezuela, Bulgaria, Syria, Iran, France, Indonesia, the PRC, Bangladesh, Sri Lanka, Nigeria, Saudi Arabia, Belgium and West Germany.

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CSO: 3554/33

NEW ENERGY MINISTER SEES COOPERATION WITH OPEC POSSIBLE

Oslo AFTENPOSTEN in Norwegian 12 May 86 p 10

[Article by Flemming Dahl]

[Text] Arne Oien, the new oil and energy minister, does not rule out the possibility that Norway might find it sensible to cooperate with OPEC (the Organization of Petroleum-Exporting Countries) to raise oil prices again.

"When the OPEC lands come up with a realistic plan, Norway should in its own interest and on the basis of our own situation evaluate what we can do to contribute to a development that will stabilize oil prices at a level that will also ensure continued development on the Norwegian continental shelf," Oien said yesterday.

But he stressed that it was hard to see how Norway could offer any help as long as the OPEC lands "cannot agree among themselves on a concrete plan."

Oien spoke just after taking over his ministerial office from his predecessor, Kare Kristensen, who has repeatedly rejected OPEC's demands that Norway reduce its oil production to contribute to the balance between supply and demand and thus to higher prices.

But there were also indications from the nonsocialist government that Norway might adopt a less negative attitude if the 13 OPEC lands themselves reached agreement on a limitation of their production. Therefore it is hard to say if Oien has a radically different view of the matter compared to his predecessor.

But the fact that Oien has decided to start off by holding the door open for cooperation instead of adopting a militantly negative attitude should be regarded as a positive sign in OPEC circles. This in turn could increase the OPEC countries' belief that internal agreement could be the first step on the road to higher prices.

Oien said that a possible cooperation with OPEC did not have to mean a conflict of interest between oil exporters and oil importers, because "the high consumption countries that depend on oil imports will be interested in oil prices that can guarantee future oil deliveries from different areas."

It is true that the major oil-importing countries have expressed satisfaction over the sharp drop in oil bills in recent months, but at the same time they have expressed concern that low prices will make exploration for oil in high-cost areas outside OPEC unprofitable. Such a development could give OPEC control over the oil market within a few years and then there would be nothing to prevent the cartel from pushing prices up to an undesirably high level.

Oien said that the oil companies' demand for favorable tax treatment and the crisis at several Norwegian shipyards will probably end up on his desk too--even though they are matters that primarily concern the Finance Ministry and the Industrial Affairs Ministry.

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